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BLACKROCK CORE BOND TRUST

Form N-CSR

November 05, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-10543

Name of Fund: BlackRock Core Bond Trust (BHK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Core Bond Trust, 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2012

Date of reporting period: 08/31/2012

Item 1 – Report to Stockholders

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**August 31, 2012**

## Annual Report

BlackRock Core Bond Trust (BHK)

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

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

BlackRock High Income Shares (HIS)

BlackRock High Yield Trust (BHY)

BlackRock Income Opportunity Trust, Inc. (BNA)

BlackRock Income Trust, Inc. (BKT)

BlackRock Strategic Bond Trust (BHD)

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

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Dear Shareholder

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

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

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

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

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

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

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

Sincerely,

**Rob Kapito**  
President, BlackRock Advisors, LLC

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

**Rob Kapito**  
President, BlackRock Advisors, LLC

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

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

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of August 31, 2012

**BlackRock Core Bond Trust**

**Investment Objective**

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

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the 12-month period ended August 31, 2012, the Trust returned 28.78% based on market price and 17.06% based on net asset value ( NAV ). For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 20.04% based on market price and 14.26% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Concerns over US economic growth potential, political uncertainty and sover-eign debt problems abroad drove investors to safe assets during the majority of the reporting period. Therefore, the Trust s increased use of leverage to purchase a broad, diversified basket of high-quality assets and an overall long duration profile proved beneficial as interest rates touched new lows during the period.

Spread sectors outperformed government-related debt for the twelve-month period as persistently low interest rates drove strong investor demand for higher-yielding assets. Spread sectors were also buoyed by supportive US and European monetary policy action as well as continued improvement in US underlying credit fundamentals. As a result, the Trust benefited from its sector allocations to high yield and investment grade corporate credit. The Trust also benefited from exposure to securitized assets such as commercial mortgage-backed securities ( CMBS ) and non-agency residential mortgage-backed securities ( MBS ). In particular, the Trust favored higher-quality multi-family CMBS, which performed well due to strong demand for rental housing.

The Trust s duration stance modestly detracted from performance during a brief period of rising interest rates in the first quarter of 2012. However, the Trust s longer duration at that time did not represent a tactical stance, rather it was a result of the Trust s leveraged exposure to credit spread sectors to generate an attractive level of income. The net result of the Trust s duration positioning remains positive for the reporting period as a whole.

**Describe recent portfolio activity.**

Investor risk aversion began to wane as the European Central Bank s long-term refinancing operation program alleviated liquidity risk in the euro zone toward the end of 2011. The Trust increased duration to take advantage of low borrowing costs and gain additional exposure to higher-yielding credit spread sectors. Within investment grade credit, the Trust increased exposure to utilities given their attractive valuation relative to industrial names. The Trust also increased its diversified exposure to financial names in banking and insurance both in the United States and Europe. Toward period end, the Trust added exposure to European securitized credit in the form of United Kingdom residential MBS.

**Describe portfolio positioning at period end.**

At period end, the Trust maintained a diversified exposure to non-government spread sectors, including investment grade credit, high yield corporate credit, CMBS, asset-backed securities and non-agency residential MBS. The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS. The Trust ended the reporting period with a long duration profile.

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

## BlackRock Core Bond Trust

## Trust Information

|  |                   |
|--|-------------------|
| Symbol on New York Stock Exchange ( NYSE )                                 | BHK               |
| Initial Offering Date  | November 27, 2001 |
| Yield on Closing Market Price as of August 31, 2012 (\$15.41) <sup>1</sup> | 5.68%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                 | \$ 0.073          |
| Current Annualized Distribution per Common Share <sup>2</sup>              | \$ 0.876          |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                       | 31%               |

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution rate is not constant and is subject to change.
- Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12  | 8/31/11  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 15.41 | \$ 12.69 | 21.43% | \$ 15.46 | \$ 12.59 |
| Net Asset Value | \$ 15.21 | \$ 13.78 | 10.38% | \$ 15.24 | \$ 13.65 |

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

## Portfolio Composition

|   | 8/31/12 | 8/31/11 |
|---|---------|---------|
| Corporate Bonds                           | 52%     | 52%     |
| US Treasury Obligations                   | 14      | 16      |
| US Government Sponsored Agency Securities | 13      | 13      |
| Non-Agency Mortgage-Backed Securities     | 11      | 12      |
| Asset-Backed Securities                   | 5       | 4       |
| Taxable Municipal Bonds                   | 2       | 1       |
| Preferred Securities                      | 2       | 1       |
| Foreign Agency Obligations                | 1       | 1       |

Credit Quality Allocations<sup>4</sup>

|                      | 8/31/12 | 8/31/11 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 36%     | 40%     |
| AA/Aa                | 3       | 8       |
| A                    | 20      | 17      |
| BBB/Baa              | 23      | 16      |
| BB/Ba                | 7       | 6       |
| B                    | 9       | 11      |



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CCC/Caa

2

2

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

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

ANNUAL REPORT

AUGUST 31, 2012

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Trust Summary as of August 31, 2012

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

### **Investment Objective**

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

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

### **Portfolio Management Commentary**

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

For the 12-month period ended August 31, 2012, the Trust returned 27.88% based on market price and 17.92% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 22.72% based on market price and 16.49% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

Security selection among high yield bonds in the middle and upper credit quality tiers had a positive impact on performance. From a sector perspective, selection within non-captive diversified financials, consumer services and food & beverages contributed positively. The Trust s exposure to common stock and select equity-correlated instruments also boosted returns.

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

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

The 12-month period began with severe market volatility in reaction to head-winds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced its program of long-term refinancing operations. As financial market conditions improved, the Trust selectively added back some risk in names with appealing risk-reward characteristics. Over the first eight months of 2012, the high yield market surged, prompting the Trust to moderate its risk profile. The Trust s view on high yield remained positive throughout this period; however, as valuations paced higher, the Trust became increasingly focused on higher-quality, income-oriented credit names with stable fundamentals and an attractive coupon rate, since the potential for price appreciation had largely diminished. Given global growth concerns posing a persistent threat and fueling uncertainty, the Trust continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Trust generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

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

At period end, the Trust held 74% of its total portfolio in corporate bonds and 17% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred stocks, other interests and asset-backed securities. The Trust s largest sector exposures included non-cable media, health care and chemicals, while its portfolio holdings reflected less emphasis on the riskier, more cyclical segments of the market such as banking, home construction and restaurants. The Trust ended the period with economic leverage at 30% of its total managed assets.

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

|  |                   |
|--|-------------------|
| Symbol on NYSE   | HYV               |
| Initial Offering Date  | November 30, 2001 |
| Yield on Closing Market Price as of August 31, 2012 (\$13.51) <sup>1</sup> | 7.99%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                 | \$0.09            |
| Current Annualized Distribution per Common Share <sup>2</sup>              | \$1.08            |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                       | 30%               |

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

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

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12  | 8/31/11  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.51 | \$ 11.55 | 16.97% | \$ 13.58 | \$ 10.13 |
| Net Asset Value | \$ 12.63 | \$ 11.71 | 7.86%  | \$ 12.63 | \$ 10.91 |

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

**Portfolio Composition**

|                              | 8/31/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 75%     | 79%     |
| Floating Rate Loan Interests | 17      | 13      |
| Common Stocks                | 6       | 3       |
| Preferred Stocks             | 2       | 2       |
| Other Interests              |         | 3       |

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

|           | 8/31/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 6       | 7%      |
| BB/Ba     | 35      | 34      |
| B         | 43      | 45      |
| CCC/Caa   | 13      | 11      |
| D         |         | 1       |
| Not Rated | 2       | 2       |

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



Trust Summary as of August 31, 2012

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

### **Investment Objective**

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

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

### **Portfolio Management Commentary**

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

For the 12-month period ended August 31, 2012, the Trust returned 26.30% based on market price and 17.14% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 22.72% based on market price and 16.49% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

Security selection among high yield bonds in the middle and upper credit quality tiers had a positive impact on performance. From a sector perspective, selection within non-captive diversified financials, consumer services and food & beverages contributed positively. The Trust s exposure to common stock and select equity-correlated instruments also boosted returns.

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

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

The 12-month period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced its program of long-term refinancing operations. As financial market conditions improved, the Trust selectively added back some risk in names with appealing risk-reward characteristics. Over the first eight months of 2012, the high yield market surged, prompting the Trust to moderate its risk profile. The Trust s view on high yield remained positive throughout this period; however, as valuations paced higher, the Trust became increasingly focused on higher-quality, income-oriented credit names with stable fundamentals and an attractive coupon rate, since the potential for price appreciation had largely diminished. Given global growth concerns posing a persistent threat and fueling uncertainty, the Trust continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Trust generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

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

At period end, the Trust held 75% of its total portfolio in corporate bonds and 17% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred stocks and other interests. The Trust s largest sector exposures included non-cable media, health care and chemicals, while its portfolio holdings reflected less emphasis on the riskier, more cyclical segments of the market such as banking, home construction and restaurants. The Trust ended the period with economic leverage at 29% of its total managed assets. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.



## BlackRock Corporate High Yield Fund VI, Inc.

## Trust Information

|  |              |
|--|--------------|
| Symbol on NYSE   | HYT          |
| Initial Offering Date  | May 30, 2003 |
| Yield on Closing Market Price as of August 31, 2012 (\$12.96) <sup>1</sup> | 8.10%        |
| Current Monthly Distribution per Common Share <sup>2</sup>                 | \$0.0875     |
| Current Annualized Distribution per Common Share <sup>2</sup>              | \$1.0500     |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                       | 29%          |

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

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

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12  | 8/31/11  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 12.96 | \$ 11.21 | 15.61% | \$ 13.14 | \$ 9.95  |
| Net Asset Value | \$ 12.32 | \$ 11.49 | 7.22%  | \$ 12.32 | \$ 10.72 |

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

## Portfolio Composition

|                              | 8/31/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 75%     | 79%     |
| Floating Rate Loan Interests | 17      | 13      |
| Common Stocks                | 6       | 3       |
| Preferred Stocks             | 2       | 2       |
| Other Interests              |         | 3       |

Credit Quality Allocations<sup>4</sup>

|           | 8/31/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 6       | 7%      |
| BB/Ba     | 35      | 35      |
| B         | 43      | 45      |
| CCC/Caa   | 14      | 11      |
| D         |         | 1       |
| Not Rated | 1       | 1       |

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





Trust Summary as of August 31, 2012

**BlackRock High Income Shares****Investment Objective**

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

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

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

For the 12-month period ended August 31, 2012, the Trust returned 25.58% based on market price and 13.91% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 22.72% based on market price and 16.49% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Security selection among high yield bonds in the higher credit quality tiers had a positive impact on performance. From a sector perspective, selection within the non-captive diversified financials, consumer services and wireless segments contributed positively. The Trust's exposure to preferred securities also boosted returns.

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

**Describe recent portfolio activity.**

The 12-month period began with severe market volatility in reaction to head-winds from Europe's debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced its program of long-term refinancing operations. As financial market conditions improved, the Trust selectively added back some risk in names with appealing risk-reward characteristics. Over the first eight months of 2012, the high yield market surged, prompting the Trust to moderate its risk profile. The Trust's view on high yield remained positive throughout this period; however, as valuations paced higher, the Trust became increasingly focused on higher-quality, income-oriented credit names with stable fundamentals and an attractive coupon rate. Given global growth concerns posing a persistent threat and fueling uncertainty, the Trust continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Trust generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

**Describe portfolio positioning at period end.**

At period end, the Trust held 78% of its total portfolio in corporate bonds and 18% in floating rate loan interests (bank loans), with the remainder in preferred securities and common stocks. The Trust's largest sector exposures included non-cable media, health care and chemicals, while its portfolio holdings reflected less emphasis on the riskier, more cyclical segments of the market such as banking, retailers and restaurants. The Trust ended the period with economic leverage at 25% of its total managed assets.

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## BlackRock High Income Shares

## Trust Information

|   |                 |
|---|-----------------|
| Symbol on NYSE  | HIS             |
| Initial Offering Date   | August 10, 1988 |
| Yield on Closing Market Price as of August 31, 2012 (\$2.40) <sup>1</sup> | 7.60%           |
| Current Monthly Distribution per Common Share <sup>2</sup>                | \$0.0152        |
| Current Annualized Distribution per Common Share <sup>2</sup>             | \$0.1824        |
| Economic Leverage as of August 31, 2012 <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 rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 2.40 | \$ 2.10 | 14.29% | \$ 2.44 | \$ 1.81 |
| Net Asset Value | \$ 2.26 | \$ 2.18 | 3.67%  | \$ 2.26 | \$ 2.04 |

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

## Portfolio Composition

|                              | 8/31/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 79%     | 83%     |
| Floating Rate Loan Interests | 18      | 14      |
| Preferred Securities         | 2       | 2       |
| Common Stocks                | 1       | 1       |

Credit Quality Allocations<sup>4</sup>

|           | 8/31/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 7       | 7%      |
| BB/Ba     | 34      | 34      |
| B         | 43      | 45      |
| CCC/Caa   | 14      | 12      |
| D         |         | 1       |
| Not Rated | 1       | 1       |

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



Trust Summary as of August 31, 2012

**BlackRock High Yield Trust**

**Investment Objective**

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

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the 12-month period ended August 31, 2012, the Trust returned 31.27% based on market price and 15.70% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 22.72% based on market price and 16.49% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Security selection among high yield bonds in the middle and upper credit quality tiers had a positive impact on performance. From a sector perspective, selection within the non-captive diversified financials, consumer services and wireless segments contributed positively. The Trust s exposure to common stock and select preferred securities also boosted returns.

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

**Describe recent portfolio activity.**

The 12-month period began with severe market volatility in reaction to head-winds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced its program of long-term refinancing operations. As financial market conditions improved, the Trust selectively added back some risk in names with appealing risk-reward characteristics. Over the first eight months of 2012, the high yield market surged, prompting the Trust to moderate its risk profile. The Trust s view on high yield remained positive throughout this period; however, as valuations paced higher, the Trust became increasingly focused on higher-quality, income-oriented credit names with stable fundamentals and an attractive coupon rate. The Trust continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Trust generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

**Describe portfolio positioning at period end.**

At period end, the Trust held 78% of its total portfolio in corporate bonds and 17% in floating rate loan interests (bank loans), with the remainder in common stocks and preferred securities. The Trust s largest sector exposures included non-cable media, health care and chemicals, while its portfolio holdings reflected less emphasis on the riskier, more cyclical segments of the market such as banking, home construction and restaurants. The Trust ended the period with economic leverage at 29% of its total managed assets.

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



## BlackRock High Yield Trust

## Trust Information

|   |                   |
|---|-------------------|
| Symbol on NYSE  | BHY               |
| Initial Offering Date   | December 23, 1998 |
| Yield on Closing Market Price as of August 31, 2012 (\$8.04) <sup>1</sup> | 6.64%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                | \$0.0445          |
| Current Annualized Distribution per Common Share <sup>2</sup>             | \$0.5340          |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                      | 29%               |

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

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

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 8.04 | \$ 6.60 | 21.82% | \$ 8.37 | \$ 5.92 |
| Net Asset Value | \$ 7.29 | \$ 6.79 | 7.36%  | \$ 7.29 | \$ 6.36 |

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

## Portfolio Composition

|                              | 8/31/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 78%     | 82%     |
| Floating Rate Loan Interests | 17      | 15      |
| Common Stocks                | 3       |         |
| Preferred Securities         | 2       | 1       |
| Other Interests              |         | 2       |

Credit Quality Allocations<sup>4</sup>

|           | 8/31/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 7       | 8%      |
| BB/Ba     | 35      | 35      |
| B         | 44      | 46      |
| CCC/Caa   | 12      | 9       |
| D         |         | 1       |
| Not Rated | 1       | 1       |

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





Trust Summary as of August 31, 2012

**BlackRock Income Opportunity Trust, Inc.**

### **Investment Objective**

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

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

### **Portfolio Management Commentary**

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

For the 12-month period ended August 31, 2012, the Trust returned 24.92% based on market price and 16.81% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 20.04% based on market price and 14.26% based on NAV. All returns reflect reinvestment of dividends. The Trust s slight discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

Concerns over US economic growth potential, political uncertainty and sovereign debt problems abroad drove investors to safe assets during the majority of the reporting period. Therefore, the Trust s increased use of leverage to purchase a broad, diversified basket of high-quality assets and an overall long duration profile proved beneficial as interest rates touched new lows during the period.

Spread sectors outperformed government-related debt for the twelve-month period as persistently low interest rates drove strong investor demand for higher-yielding assets. Spread sectors were also buoyed by supportive US and European monetary policy action as well as continued improvement in US underlying credit fundamentals. As a result, the Trust benefited from its sector allocations to high yield and investment grade corporate credit. The Trust also benefited from exposure to securitized assets such as CMBS and non-agency residential MBS. In particular, the Trust favored higher-quality multi-family CMBS, which performed well due to strong demand for rental housing.

The Trust s duration stance modestly detracted from performance during a brief period of rising interest rates in the first quarter of 2012. However, the Trust s longer duration at that time did not represent a tactical stance, rather it was a result of the Trust s leveraged exposure to credit spread sectors to generate an attractive level of income. The net result of the Trust s duration positioning remains positive for the reporting period as a whole.

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

Investor risk aversion began to wane as the European Central Bank s long-term refinancing operation program alleviated liquidity risk in the euro zone toward the end of 2011. The Trust increased duration to take advantage of low borrowing costs and gain additional exposure to higher-yielding credit spread sectors. Within investment grade credit, the Trust increased exposure to utilities given their attractive valuation relative to industrial names. The Trust also increased its diversified exposure to financial names in banking and insurance both in the United States and Europe. Toward period end, the Trust added exposure to European securitized credit in the form of United Kingdom residential MBS.

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

At period end, the Trust maintained a diversified exposure to non-government spread sectors, including investment grade credit, high yield corporate credit, CMBS, asset-backed securities and non-agency residential MBS. The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS. The Trust ended the reporting period with a long duration profile.

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

**BlackRock Income Opportunity Trust, Inc.****Trust Information**

|  |                   |
|--|-------------------|
| Symbol on NYSE   | BNA               |
| Initial Offering Date  | December 20, 1991 |
| Yield on Closing Market Price as of August 31, 2012 (\$11.58) <sup>1</sup> | 5.91%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                 | \$0.057           |
| Current Annualized Distribution per Common Share <sup>2</sup>              | \$0.684           |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                       | 32%               |

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

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

<sup>3</sup> Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12  | 8/31/11 | Change | High     | Low      |
|-----------------|----------|---------|--------|----------|----------|
| Market Price    | \$ 11.58 | \$ 9.85 | 17.56% | \$ 11.61 | \$ 9.66  |
| Net Asset Value | \$ 11.84 | \$10.77 | 9.94%  | \$ 11.87 | \$ 10.68 |

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

**Portfolio Composition**

|   | 8/31/12 | 8/31/11 |
|---|---------|---------|
| Corporate Bonds                           | 51%     | 52%     |
| US Treasury Obligations                   | 15      | 16      |
| US Government Sponsored Agency Securities | 14      | 13      |
| Non-Agency Mortgage-Backed Securities     | 11      | 12      |
| Asset-Backed Securities                   | 4       | 4       |
| Taxable Municipal Bonds                   | 2       | 1       |
| Preferred Securities                      | 2       | 1       |
| Foreign Agency Obligations                | 1       | 1       |

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

|                      | 8/31/12 | 8/31/11 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 37%     | 40%     |
| AA/Aa                | 3       | 7       |
| A                    | 19      | 19      |
| BBB/Baa              | 23      | 16      |
| BB/Ba                | 6       | 7       |
| B                    | 9       | 9       |
| CCC/Caa              | 2       | 2       |
| Not Rated            | 1       |         |

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

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Trust Summary as of August 31, 2012

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

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

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

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

For the 12-month period ended August 31, 2012, the Trust returned 13.19% based on market price and 6.24% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 18.47% based on market price and 13.18% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust s exposure to undervalued prepayment-sensitive interest-only agency MBS contributed positively to returns. These securities performed well as interest rates generally moved lower over the reporting period. In particular, the Trust s holdings in this space were focused on securities that would be less impacted by potential government policy changes and were purchased at attractive levels given concerns about increasing refinancing activity.

The Trust also benefited from its leveraged exposure to agency pass-through MBS, as the sector was supported by monetary policy operations and increased demand from financial institutions seeking relatively safer investments and an alternative to US Treasuries. Adding to performance was the Trust s positioning within the agency MBS with heavier weightings in low- and high-coupon issues and limited exposure to coupons in the middle, which are most vulnerable to refinancing risk.

Detracting slightly from performance was tactical trading in anticipation of the early 2012 policy changes relating to the government s Home Affordable Refinance Program ( HARP ). The Trust actively reduced its sensitivity to prepayment risk in advance of the policy changes; however, this defensive stance ultimately proved too early as the increase in refinancing activity resulting from the changes to HARP took longer to materialize than had been expected.

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

**Describe recent portfolio activity.**

The Trust increased its allocation to agency MBS in the fourth quarter of 2011, after spreads had widened in the space due to increased policy risk. The Trust slightly reduced these holdings after their strong performance in late 2011 and early 2012. The sales were concentrated in the lower-coupon securities, which are more likely to be extended. The Trust maintained a strong level of yield by increasing exposure to prepayment-sensitive securities. The Trust also maintained a limited exposure to CMBS and non-agency residential MBS, which have performed well primarily due to improving underlying fundamentals.

**Describe portfolio positioning at period end.**

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The backdrop for agency MBS appears constructive given the impact of the Federal Reserve's mortgage reinvestment program in curtailing net supply along with the sector's attractive yields relative to other high-quality asset classes in a low interest rate environment. However, prepayment risk for higher-coupon agency MBS remains high and, therefore, the Trust maintains a cautious stance. As of period end, the Trust maintained exposure to high-quality agency MBS with varying maturities and coupon rates. The Trust also held small allocations to non-agency MBS and CMBS. The Trust ended the reporting period with a slightly short duration profile. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Income Trust, Inc.

**Trust Information**

|   |               |
|---|---------------|
| Symbol on NYSE  | BKT           |
| Initial Offering Date   | July 22, 1988 |
| Yield on Closing Market Price as of August 31, 2012 (\$7.63) <sup>1</sup> | 6.37%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                | \$0.0405      |
| Current Annualized Distribution per Common Share <sup>2</sup>             | \$0.4860      |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                      | 19%           |

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

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

<sup>3</sup> Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see the Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12 | 8/31/11 | Change  | High   | Low    |
|-----------------|---------|---------|---------|--------|--------|
| Market Price    | \$ 7.63 | \$ 7.18 | 6.27%   | \$7.73 | \$7.00 |
| Net Asset Value | \$ 7.94 | \$ 7.96 | (0.25)% | \$8.12 | \$7.87 |

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

**Portfolio Composition**

|   | 8/31/12 | 8/31/11 |
|---|---------|---------|
| US Government Sponsored Agency Securities | 86%     | 84%     |
| US Treasury Obligations                   | 11      | 12      |
| Non-Agency Mortgage-Backed Securities     | 2       | 3       |
| Asset-Backed Securities                   | 1       | 1       |

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

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

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

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





Trust Summary as of August 31, 2012

**BlackRock Strategic Bond Trust****Investment Objective**

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

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

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

For the 12-month period ended August 31, 2012, the Trust returned 21.58% based on market price and 15.66% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 22.72% based on market price and 16.49% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Security selection among higher-quality debt instruments (including both bonds and loans) had a positive impact on the Trust s performance. While the surge in risk assets benefited overall performance, the Trust s tactical exposure to equity securities was particularly helpful as equities outperformed high yield bonds, bank loans and investment grade credits amid improving investor demand for riskier assets over the 12-month period. Security selection in the consumer services, non-captive diversified financials and wireless sectors boosted returns.

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

**Describe recent portfolio activity.**

The 12-month period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced its program of long-term refinancing operations. As financial market conditions improved, the Trust selectively added back some risk in names with appealing risk-reward characteristics. Over the first eight months of 2012, the high yield market surged, prompting the Trust to moderate its risk profile. The Trust s view on high yield remained positive throughout this period; however, as valuations paced higher, the Trust became increasingly focused on higher-quality, income-oriented credit names with stable fundamentals and an attractive coupon rate, since the potential for price appreciation had largely diminished. Given global growth concerns posing a persistent threat and fueling uncertainty, the Trust continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Trust generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

**Describe portfolio positioning at period end.**

At period end, the Trust held 79% of its total portfolio in corporate bonds and 17% in floating rate loan interests (bank loans), with the remainder in preferred securities, common stocks and US Treasury obligations. The Trust s largest sector exposures included non-cable media, health care and wireless. The Trust ended the period with economic leverage at 23% of its total managed assets.

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

## BlackRock Strategic Bond Trust

## Trust Information

|  |                   |
|--|-------------------|
| Symbol on NYSE   | BHD               |
| Initial Offering Date  | February 26, 2002 |
| Yield on Closing Market Price as of August 31, 2012 (\$14.52) <sup>1</sup> | 6.98%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                 | \$0.0845          |
| Current Annualized Distribution per Common Share <sup>2</sup>              | \$1.0140          |
| Economic Leverage as of August 31, 2012 <sup>3</sup>                       | 23%               |

- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> The distribution rate is not constant and is subject to change.
- <sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 8/31/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$14.52 | \$12.93 | 12.30% | \$14.91 | \$11.86 |
| Net Asset Value | \$14.40 | \$13.48 | 6.82%  | \$14.40 | \$12.72 |

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

## Portfolio Composition

|                              | 8/31/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 79%     | 85%     |
| Floating Rate Loan Interests | 17      | 12      |
| Preferred Securities         | 2       | 1       |
| Common Stocks                | 1       |         |
| US Treasury Obligations      | 1       |         |
| Other Interests              |         | 2       |

Credit Quality Allocations<sup>4</sup>

|         | 8/31/12 | 8/31/11 |
|---------|---------|---------|
| AA/Aa   | 1%      | 3%      |
| A       | 12      | 13      |
| BBB/Baa | 21      | 16      |
| BB/Ba   | 26      | 26      |
| B       | 32      | 34      |
| CCC/Caa | 7       | 6       |
| D       |         | 1       |

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Not Rated

1

1

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

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### The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Trusts are permitted to issue senior securities representing indebtedness up to 33 $\frac{1}{3}$ % of their total managed assets (each Trust's net assets plus the proceeds of any outstanding borrowings). If the Trusts segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Trust voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of August 31, 2012, the Trusts had aggregate economic leverage from reverse repurchase agreements, treasury roll transactions and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

|     | <b>Percent of<br/>Economic<br/>Leverage</b> |
|-----|---|
| BHK | 31%   |

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|     |     |
|-----|-----|
| HYV | 30% |
| HYT | 29% |
| HIS | 25% |
| BHY | 29% |
| BNA | 32% |
| BKT | 19% |
| BHD | 23% |

### Derivative Financial Instruments

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

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Schedule of Investments August 31, 2012

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Asset-Backed Securities</b>   |              |            |
| <b>Asset-Backed Securities 6.6%</b>  |              |            |
| 321 Henderson Receivables I LLC, Series 2010-3A,<br>Class A, 3.82%, 12/15/48 (a)         | USD 761      | \$ 795,261 |
| AH Mortgage Advance Co. Ltd., Series SART-3,<br>Class 1A1, 2.98%, 3/13/43 (a)            | 630          | 634,369    |
| AmeriCredit Automobile Receivables Trust,<br>Series 2011-5, Class C, 3.44%, 10/08/17     | 400          | 411,338    |
| CarMax Auto Owner Trust, Series 2012-1:  |              |            |
| Class B, 1.76%, 8/15/17  | 210          | 212,152    |
| Class C, 2.20%, 10/16/17   | 125          | 126,840    |
| Class D, 3.09%, 8/15/18  | 155          | 156,507    |
| CenterPoint Energy Transition Bond Co. LLC,<br>Series 2012-1, Class A3, 3.03%, 10/15/25  | 1,105        | 1,197,989  |
| Countrywide Asset-Backed Certificates, Series<br>2006-13, Class 3AV2, 0.39%, 1/25/37 (b) | 1,082        | 826,078    |
| Credit Acceptance Auto Loan Trust, Series 2010-1,<br>Class B, 3.63%, 10/15/18 (a)        | 1,980        | 2,000,380  |
| DT Auto Owner Trust (a):   |              |            |
| Series 2011-2A, Class C, 3.05%, 2/16/16  | 1,500        | 1,500,462  |
| Series 2011-3A, Class C, 4.03%, 2/15/17  | 255          | 258,822    |
| Ford Credit Floorplan Master Owner Trust:  |              |            |
| Series 2012-1, Class B, 1.14%, 1/15/16 (b)   | 180          | 180,001    |
| Series 2012-1, Class C, 1.74%, 1/15/16 (b)   | 475          | 475,002    |
| Series 2012-1, Class D, 2.34%, 1/15/16 (b)   | 445          | 445,001    |
| Series 2012-2, Class B, 2.32%, 1/15/19   | 245          | 252,208    |
| Series 2012-2, Class C, 2.86%, 1/15/19   | 105          | 107,018    |
| Series 2012-2, Class D, 3.50%, 1/15/19   | 200          | 203,357    |
| Home Equity Asset Trust, Series 2007-2, Class 2A1,<br>0.35%, 7/25/37 (b)                 | 70           | 69,203     |
| Nelnet Student Loan Trust (b):   |              |            |
| Series 2006-1, Class A5, 0.54%, 8/23/27  | 525          | 497,842    |
| Series 2008-3, Class A4, 2.08%, 11/25/24   | 615          | 644,333    |
| PFS Financing Corp., Series 2012-AA, Class A,<br>1.44%, 2/15/16 (a)(b)                   | 480          | 481,654    |
| Santander Consumer Acquired Receivables Trust (a):                                       |              |            |
| Series 2011-S1A, Class B, 1.66%, 8/15/16   | 521          | 522,220    |
| Series 2011-S1A, Class C, 2.01%, 8/15/16   | 367          | 365,529    |
| Series 2011-S1A, Class D, 3.15%, 8/15/16   | 382          | 379,916    |
| Series 2011-WO, Class C, 3.19%, 10/15/15   | 580          | 584,309    |
| Santander Drive Auto Receivables Trust:  |              |            |
| Series 2010-2, Class B, 2.24%, 12/15/14  | 860          | 864,475    |
| Series 2010-2, Class C, 3.89%, 7/17/17   | 1,010        | 1,045,327  |
| Series 2010-B, Class B, 2.10%, 9/15/14 (a)   | 700          | 702,535    |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)  | 740          | 754,145    |
| Series 2011-1, Class D, 4.01%, 2/15/17   | 940          | 960,565    |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)   | 270          | 269,363    |
| Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)   | 293          | 294,267    |
| Series 2011-S2A, Class C, 2.86%, 6/15/17 (a)   | 693          | 700,253    |
| Series 2012-1, Class B, 2.72%, 5/16/16   | 240          | 244,548    |
| Series 2012-1, Class C, 3.78%, 11/15/17  | 325          | 335,789    |



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|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Asset-Backed Securities</b>  |              |            |
| <b>Asset-Backed Securities (concluded)</b>  |              |            |
| SLM Student Loan Trust:   |              |            |
| Series 2004-B, Class A2, 0.67%, 6/15/21 (b)   | USD 192      | \$ 187,341 |
| Series 2008-5, Class A3, 1.75%, 1/25/18 (b)   | 515          | 527,818    |
| Series 2008-5, Class A4, 2.15%, 7/25/23 (b)   | 615          | 648,802    |
| Series 2012-A, Class A1, 1.64%, 8/15/25 (a)(b)  | 330          | 332,543    |
| Series 2012-A, Class A2, 3.83%, 1/17/45 (a)   | 345          | 368,769    |
| Series 2012-D, Class A2, 2.95%, 2/15/46 (a)   | 2,830        | 2,930,025  |
| Small Business Administration, Class 1:   |              |            |
| Series 2003-P10B, 5.14%, 8/10/13  | 178          | 183,913    |
| Series 2004-P10B, 4.75%, 8/10/14  | 145          | 152,873    |
| Structured Asset Securities Corp., Series 2002-AL1,<br>Class A2, 3.45%, 2/25/32             | 1,324        | 1,211,492  |
| World Financial Network Credit Card Master Trust,<br>Series 2012-C, Class C, 4.55%, 8/15/22 | 1,180        | 1,184,931  |
|   |              | 27,227,565 |
| <b>Interest Only Asset-Backed Securities 0.2%</b>   |              |            |
| Sterling Bank Trust, Series 2004-2, Class Note,<br>2.08%, 3/30/30 (a)                       | 3,873        | 306,221    |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29  | 5,949        | 453,649    |
|   |              | 759,870    |
| <b>Total Asset-Backed Securities 6.8%</b>   |              | 27,987,435 |

|                                       | Shares |        |
|---------------------------------------|--------|--------|
| <b>Common Stocks (c)</b>              |        |        |
| <b>Media 0.0%</b>                     |        |        |
| Cumulus Media, Inc., Class A          | 30,272 | 83,854 |
| <b>Software 0.0%</b>                  |        |        |
| Bankruptcy Management Solutions, Inc. | 135    | 1      |
| <b>Total Common Stocks 0.0%</b>       |        | 83,855 |

|   | Par<br>(000) |           |
|---|--------------|-----------|
| <b>Corporate Bonds</b>  |              |           |
| <b>Aerospace &amp; Defense 0.5%</b>                                       |              |           |
| United Technologies Corp. (d):  |              |           |
| 4.88%, 5/01/15  | USD 1,125    | 1,251,596 |
| 6.13%, 7/15/38  | 700          | 949,832   |
|   |              | 2,201,428 |
| <b>Airlines 0.6%</b>  |              |           |
| Continental Airlines, Inc., Series 2010-1, Class B,<br>6.00%, 1/12/19     |              |           |
|   | 622          | 626,172   |
| US Airways Pass-Through Trust, Series 2012-1,<br>Class C, 9.13%, 10/01/15 |              |           |
|   | 1,673        | 1,706,460 |
|   |              | 2,332,632 |

**Portfolio Abbreviations**

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

|                |  |
|----------------|--|
| <b>AUD</b>     | Australian Dollar  |
| <b>CAD</b>     | Canadian Dollar  |
| <b>CBA</b>     | Canadian Bankers Acceptances                                   |
| <b>DIP</b>     | Debtor-In-Possession   |
| <b>EBITDA</b>  | Earnings Before Interest, Taxes, Depreciation and Amortization |
| <b>EUR</b>     | Euro   |
| <b>EURIBOR</b> | Euro Interbank Offered Rate                                    |
| <b>FKA</b>     | Formerly Known As  |

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|              |                                  |
|--------------|----------------------------------|
| <b>FHLMC</b> | Federal Home Loan Mortgage Corp. |
| <b>GBP</b>   | British Pound                    |
| <b>GO</b>    | General Obligation Bonds         |
| <b>LIBOR</b> | London Interbank Offered Rate    |
| <b>RB</b>    | Revenue Bonds                    |
| <b>TBA</b>   | To Be Announced                  |
| <b>USD</b>   | US Dollar                        |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Auto Components 0.8%</b>   |              |            |
| Icahn Enterprises LP (b)(e):  |              |            |
| 4.00%, 8/15/13  | USD 785      | \$ 785,000 |
| 4.00%, 8/15/13 (a)  | 2,335        | 2,335,000  |
|   |              | 3,120,000  |
| <b>Beverages 0.1%</b>   |              |            |
| Crown European Holdings SA, 7.13%, 8/15/18 (a)  | EUR 355      | 491,171    |
| <b>Building Products 0.1%</b>   |              |            |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                            | USD 400      | 244,000    |
| <b>Capital Markets 4.6%</b>   |              |            |
| CDP Financial, Inc., 5.60%, 11/25/39 (a)(d)   | 2,935        | 3,786,338  |
| E*Trade Financial Corp., 12.50%, 11/30/17 (f)   | 1,570        | 1,791,762  |
| The Goldman Sachs Group, Inc.:  |              |            |
| 5.38%, 3/15/20  | 1,220        | 1,314,755  |
| 5.25%, 7/27/21  | 3,165        | 3,365,367  |
| 5.75%, 1/24/22  | 1,800        | 1,986,232  |
| Morgan Stanley:   |              |            |
| 2.94%, 5/14/13 (b)  | 1,890        | 1,903,011  |
| 4.20%, 11/20/14   | 490          | 502,672    |
| 4.00%, 7/24/15  | 410          | 417,899    |
| 6.25%, 8/28/17  | 1,930        | 2,091,246  |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (g)                                  | 1,650        | 1,722,267  |
|   |              | 18,881,549 |
| <b>Chemicals 0.5%</b>   |              |            |
| The Dow Chemical Co., 4.13%, 11/15/21   | 350          | 383,209    |
| INEOS Finance Plc, 8.38%, 2/15/19 (a)   | 265          | 278,912    |
| Tronox Finance LLC, 6.38%, 8/15/20 (a)  | 1,285        | 1,297,850  |
|   |              | 1,959,971  |
| <b>Commercial Banks 3.8%</b>  |              |            |
| CIT Group, Inc.:  |              |            |
| 7.00%, 5/02/16 (a)  | 88           | 88,447     |
| 7.00%, 5/02/17 (a)  | 347          | 347,787    |
| 5.38%, 5/15/20  | 1,650        | 1,718,063  |
| 5.00%, 8/15/22  | 440          | 443,333    |
| Cooperatieve Centrale Raiffeisen-Boerenleenbank<br>BA/Netherlands, 3.88%, 2/08/22 (d) |              |            |
|   | 1,390        | 1,447,629  |
| Depfa ACS Bank, 5.13%, 3/16/37 (a)  | 3,775        | 2,633,063  |
| Discover Bank, 8.70%, 11/18/19  | 250          | 316,369    |
| Eksportfinans ASA, 5.50%, 6/26/17   | 950          | 964,483    |
| HSBC Bank Brasil SA Banco Multiplo, 4.00%,<br>5/11/16 (a)                             | 1,400        | 1,435,000  |
| HSBC Bank Plc, 3.10%, 5/24/16 (a)(d)  | 700          | 733,718    |
| HSBC Holdings Plc, 6.10%, 1/14/42 (d)   | 305          | 408,114    |
| Wachovia Corp., 5.25%, 8/01/14 (d)  | 3,425        | 3,684,598  |
| Wells Fargo & Co., 3.50%, 3/08/22 (d)   | 1,390        | 1,481,235  |
|   |              | 15,701,839 |
| <b>Commercial Services &amp; Supplies 0.2%</b>  |              |            |
| ARAMARK Corp., 8.50%, 2/01/15   | 18           | 18,450     |
| Clean Harbors, Inc., 5.25%, 8/01/20 (a)   | 391          | 401,264    |
| Mobile Mini, Inc., 7.88%, 12/01/20  | 320          | 343,200    |
|   |              | 762,914    |
| <b>Communications Equipment 1.2%</b>  |              |            |
| ADC Telecommunications, Inc., 3.50%, 7/15/15 (e)                                      | 4,330        | 4,421,623  |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20                                     | 640          | 680,000    |



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|                                   |       |            |
|-----------------------------------|-------|------------|
| Telecom Italia Capital SA:        |       |            |
| 4.95%, 9/30/14                    | 1,075 | 1,091,125  |
| 6.00%, 9/30/34                    | 1,550 | 1,271,000  |
| Verizon Communications, Inc.:     |       |            |
| 3.50%, 11/01/21                   | 500   | 550,038    |
| 6.40%, 2/15/38                    | 3,483 | 4,675,635  |
| 8.95%, 3/01/39                    | 900   | 1,569,185  |
| Windstream Corp., 7.88%, 11/01/17 | 40    | 43,500     |
|                                   |       | 10,627,138 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Electric Utilities 6.2%</b>  |              |            |
| The Cleveland Electric Illuminating Co.:  |              |            |
| 8.88%, 11/15/18   | USD 121      | \$ 164,273 |
| 5.95%, 12/15/36   | 217          | 255,413    |
| CMS Energy Corp., 5.05%, 3/15/22  | 915          | 991,672    |
| Duke Energy Carolinas LLC:  |              |            |
| 6.10%, 6/01/37  | 315          | 417,845    |
| 6.00%, 1/15/38 (d)  | 825          | 1,107,723  |
| 4.25%, 12/15/41 (d)   | 375          | 410,460    |
| E.ON International Finance BV, 6.65%, 4/30/38 (a)                                 | 1,525        | 2,082,284  |
| EDF SA, 5.60%, 1/27/40 (a)(d)   | 1,400        | 1,565,707  |
| Florida Power Corp. (d):  |              |            |
| 6.35%, 9/15/37  | 1,325        | 1,836,235  |
| 6.40%, 6/15/38  | 430          | 604,018    |
| Hydro-Quebec (d):   |              |            |
| 8.40%, 1/15/22  | 730          | 1,059,806  |
| 8.05%, 7/07/24  | 1,900        | 2,832,484  |
| Jersey Central Power & Light Co., 7.35%, 2/01/19                                  | 245          | 313,857    |
| Nisource Finance Corp.:   |              |            |
| 6.40%, 3/15/18  | 280          | 335,129    |
| 5.25%, 2/15/43  | 500          | 552,707    |
| Ohio Power Co., Series D, 6.60%, 3/01/33  | 1,500        | 1,974,781  |
| PacifiCorp., 6.25%, 10/15/37 (d)  | 575          | 805,489    |
| Public Service Co. of Colorado, 6.25%, 9/01/37 (d)                                | 1,200        | 1,732,027  |
| Southern California Edison Co. (d):   |              |            |
| 5.63%, 2/01/36  | 625          | 821,994    |
| Series 08-A, 5.95%, 2/01/38   | 1,075        | 1,478,330  |
| Tokyo Electric Power Co., Inc., 4.50%, 3/24/14 (d)                                | EUR 1,000    | 1,251,888  |
| Virginia Electric and Power Co., Series A, 6.00%, 5/15/37 (d)                     | USD 2,000    | 2,769,718  |
|   |              | 25,363,840 |
| <b>Energy Equipment &amp; Services 2.0%</b>                                       |              |            |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)(d)                                       | 565          | 553,700    |
| Ensco Plc:  |              |            |
| 3.25%, 3/15/16  | 160          | 170,795    |
| 4.70%, 3/15/21  | 1,745        | 1,958,024  |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (a) |              |            |
|   | 1,110        | 1,146,075  |
| Noble Holding International Ltd., 5.25%, 3/15/42                                  | 350          | 375,470    |
| Peabody Energy Corp., 6.25%, 11/15/21 (a)   | 2,600        | 2,645,500  |
| Transocean, Inc.:   |              |            |
| 5.05%, 12/15/16   | 850          | 941,480    |
| 6.50%, 11/15/20   | 350          | 418,359    |
|   |              | 8,209,403  |
| <b>Food Products 1.2%</b>   |              |            |
| Darling International, Inc., 8.50%, 12/15/18                                      | 335          | 379,388    |
| Kraft Foods Group, Inc. (a):  |              |            |
| 5.38%, 2/10/20  | 1,570        | 1,876,338  |
| 5.00%, 6/04/42  | 997          | 1,134,085  |
| Kraft Foods, Inc., 5.38%, 2/10/20   | 1,430        | 1,718,691  |

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|  |       |           |
|--|-------|-----------|
|  |       | 5,108,502 |
| <b>Gas Utilities 0.5%</b>                                      |       |           |
| CenterPoint Energy Resources Corp., 5.85%, 1/15/41             | 1,600 | 2,014,216 |
| <b>Health Care Equipment &amp; Supplies 0.7%</b>               |       |           |
| Boston Scientific Corp., 6.25%, 11/15/15                       | 1,251 | 1,416,920 |
| DJO Finance LLC:   |       |           |
| 10.88%, 11/15/14   | 166   | 173,263   |
| 7.75%, 4/15/18   | 735   | 672,525   |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (a) | 152   | 170,430   |
| Teleflex, Inc., 6.88%, 6/01/19                                 | 385   | 411,950   |
|  |       | 2,845,088 |

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Health Care Providers &amp; Services 2.5%</b>                 |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                    | USD 175      | \$ 182,000 |
| CHS/Community Health Systems, Inc., 5.13%,<br>8/15/18            | 400          | 412,500    |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)<br>HCA, Inc.:      | EUR 494      | 664,848    |
| 6.50%, 2/15/20   | USD 2,115    | 2,323,856  |
| 7.88%, 2/15/20   | 135          | 150,694    |
| IASIS Healthcare LLC, 8.38%, 5/15/19                             | 1,000        | 953,750    |
| INC Research LLC, 11.50%, 7/15/19 (a)                            | 545          | 534,100    |
| inVentiv Health, Inc. (a):                                       |              |            |
| 10.00%, 8/15/18  | 40           | 33,700     |
| 10.25%, 8/15/18  | 155          | 130,588    |
| Omnicare, Inc., 7.75%, 6/01/20                                   | 805          | 887,512    |
| Symbion, Inc., 8.00%, 6/15/16                                    | 455          | 459,834    |
| Tenet Healthcare Corp.:  |              |            |
| 10.00%, 5/01/18  | 200          | 230,000    |
| 8.88%, 7/01/19   | 1,150        | 1,308,125  |
| UnitedHealth Group, Inc., 2.88%, 3/15/22                         | 2,000        | 2,049,750  |
|  |              | 10,321,257 |
| <b>Health Care Technology 0.6%</b>                               |              |            |
| Amgen, Inc. (d):   |              |            |
| 6.40%, 2/01/39   | 750          | 931,504    |
| 5.15%, 11/15/41  | 1,500        | 1,637,571  |
|  |              | 2,569,075  |
| <b>Hotels, Restaurants &amp; Leisure 0.1%</b>                    |              |            |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (a)                        | 180          | 175,500    |
| MGM Resorts International, 11.13%, 11/15/17                      | 265          | 294,812    |
|  |              | 470,312    |
| <b>Household Durables 0.8%</b>                                   |              |            |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (a)                       | 580          | 593,050    |
| Standard Pacific Corp., 10.75%, 9/15/16                          | 2,100        | 2,535,750  |
|  |              | 3,128,800  |
| <b>Household Products 0.1%</b>                                   |              |            |
| Ontex IV SA, 7.50%, 4/15/18 (a)                                  | EUR 190      | 242,567    |
| <b>Independent Power Producers &amp;<br/>Energy Traders 0.6%</b> |              |            |
| Calpine Corp., 7.50%, 2/15/21 (a)                                | USD 175      | 194,250    |
| Energy Future Holdings Corp., 10.00%, 1/15/20                    | 1,100        | 1,212,750  |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20  | 922          | 1,034,945  |
|  |              | 2,441,945  |
| <b>Industrial Conglomerates 0.8%</b>                             |              |            |
| The ADT Corp., 4.88%, 7/15/42 (a)                                | 539          | 586,299    |
| Sequa Corp. (a):   |              |            |
| 11.75%, 12/01/15   | 690          | 724,500    |

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|  |     |       |           |
|--|-----|-------|-----------|
| 13.50%, 12/01/15   |     | 1,940 | 2,056,816 |
|  |     |       | 3,367,615 |
| <b>Insurance 4.2%</b>                                      |     |       |           |
| Allianz Finance II BV, 5.75%, 7/08/41 (b)                  | EUR | 500   | 607,993   |
| American International Group, Inc.:                        |     |       |           |
| 3.80%, 3/22/17 (d)   | USD | 5,580 | 5,905,504 |
| 5.45%, 5/18/17   |     | 800   | 898,870   |
| AXA SA, 5.25%, 4/16/40 (b)                                 | EUR | 250   | 267,714   |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a)              | USD | 478   | 522,812   |
| Hartford Financial Services Group, Inc.:                   |     |       |           |
| 6.00%, 1/15/19   |     | 345   | 383,954   |
| 5.13%, 4/15/22   |     | 930   | 999,523   |
| Hartford Life Global Funding Trusts, 0.65%,<br>6/16/14 (b) |     | 425   | 417,983   |
| Liberty Mutual Group, Inc., 6.50%, 5/01/42 (a)             |     | 1,000 | 1,085,395 |
| Lincoln National Corp., 6.25%, 2/15/20                     |     | 630   | 730,900   |
| Manulife Financial Corp., 3.40%, 9/17/15                   |     | 1,630 | 1,698,092 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Insurance (concluded)</b>   |              |            |
| Metropolitan Life Global Funding I, 5.13%,<br>6/10/14 (a)(d)         | USD 775      | \$ 833,093 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)                    | 340          | 304,300    |
| Muenchener Rueckversicherungs AG, 6.00%,<br>5/26/41 (b)              | EUR 200      | 264,289    |
| Prudential Financial, Inc. (d):                                      |              |            |
| 7.38%, 6/15/19   | USD 250      | 314,632    |
| 5.38%, 6/21/20   | 250          | 288,865    |
| 4.50%, 11/15/20  | 450          | 491,098    |
| 5.70%, 12/14/36  | 675          | 748,348    |
| Series D, 5.90%, 3/17/36   | 500          | 564,306    |
|  |              | 17,327,671 |
| <b>IT Services 0.9%</b>  |              |            |
| First Data Corp. (a):  |              |            |
| 7.38%, 6/15/19   | 775          | 800,187    |
| 8.25%, 1/15/21   | 75           | 74,344     |
| SunGard Data Systems, Inc.:  |              |            |
| 7.38%, 11/15/18  | 1,080        | 1,147,500  |
| 7.63%, 11/15/20  | 1,730        | 1,855,425  |
|  |              | 3,877,456  |
| <b>Machinery 0.3%</b>  |              |            |
| UR Merger Sub Corp. (a):   |              |            |
| 5.75%, 7/15/18   | 194          | 205,155    |
| 7.38%, 5/15/20   | 495          | 524,700    |
| 7.63%, 4/15/22   | 452          | 488,160    |
|  |              | 1,218,015  |
| <b>Marine 0.3%</b>   |              |            |
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)(d)                      | 1,050        | 1,241,625  |
| <b>Media 8.9%</b>  |              |            |
| Affinion Group, Inc., 7.88%, 12/15/18                                | 1,045        | 747,175    |
| AMC Networks, Inc., 7.75%, 7/15/21                                   | 320          | 362,400    |
| CCH II LLC, 13.50%, 11/30/16   | 2,300        | 2,518,912  |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21                | 548          | 469,910    |
| Clear Channel Worldwide Holdings, Inc., Series B,<br>9.25%, 12/15/17 | 2,172        | 2,359,335  |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22      | 600          | 895,988    |
| Comcast Corp., 6.45%, 3/15/37  | 790          | 1,019,199  |
| Cox Communications, Inc., 8.38%, 3/01/39 (a)                         | 1,740        | 2,625,669  |
| Cox Enterprises, Inc.:   |              |            |
| Loan Close 2, 12.00%, 8/15/18  | 983          | 983,563    |
| Loan Close 3, 4.00%, 8/15/18   | 1,124        | 1,124,495  |
| Shares Loan, 12.00%, 8/15/18   | 1,159        | 1,159,750  |
| DIRECTV Holdings LLC:  |              |            |
| 6.38%, 3/01/41   | 260          | 306,570    |
| 5.15%, 3/15/42   | 2,100        | 2,142,745  |
| Intelsat Jackson Holdings SA, 11.25%, 6/15/16                        | 261          | 274,702    |
| Intelsat Luxembourg SA:  |              |            |
| 11.25%, 2/04/17  | 750          | 787,500    |
| 11.50%, 2/04/17 (f)  | 415          | 435,750    |

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|  |       |           |
|--|-------|-----------|
| Interactive Data Corp., 10.25%, 8/01/18  | 1,330 | 1,499,575 |
| NBC Universal Media LLC:                 |       |           |
| 5.15%, 4/30/20                           | 1,983 | 2,340,420 |
| 4.38%, 4/01/21                           | 1,015 | 1,145,763 |
| The New York Times Co., 6.63%, 12/15/16  | 1,800 | 1,953,000 |
| News America, Inc., 7.63%, 11/30/28      | 385   | 490,562   |
| Omnicom Group, Inc., 3.63%, 5/01/22      | 2,355 | 2,469,022 |
| TCI Communications, Inc., 7.88%, 2/15/26 | 610   | 856,883   |
| Time Warner Cable, Inc.:                 |       |           |
| 7.30%, 7/01/38                           | 930   | 1,269,028 |
| 5.88%, 11/15/40                          | 465   | 551,719   |
| 5.50%, 9/01/41                           | 920   | 1,041,084 |

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Media (concluded)</b>                                       |              |            |
| Time Warner, Inc.:   |              |            |
| 4.70%, 1/15/21   | USD 350      | \$ 401,432 |
| 6.10%, 7/15/40   | 215          | 262,355    |
| Unitymedia Hessen GmbH & Co. KG, 8.13%,<br>12/01/17 (a)        | 2,822        | 3,054,815  |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18               | 525          | 572,250    |
| Ziggo Finance BV, 6.13%, 11/15/17 (a)                          | EUR 263      | 353,130    |
|  |              | 36,474,701 |
| <b>Metals &amp; Mining 3.6%</b>                                |              |            |
| Alcoa, Inc., 5.40%, 4/15/21                                    | USD 1,450    | 1,497,052  |
| Barrick Gold Corp., 2.90%, 5/30/16                             | 1,690        | 1,778,590  |
| Corp. Nacional del Cobre de Chile, 3.00%,<br>7/17/22 (a)(d)    | 1,565        | 1,572,689  |
| Falconbridge Ltd., 6.20%, 6/15/35                              | 1,250        | 1,342,866  |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%,<br>3/01/22        | 540          | 536,471    |
| New Gold, Inc., 7.00%, 4/15/20 (a)                             | 105          | 110,513    |
| New World Resources NV, 7.88%, 5/01/18                         | EUR 215      | 269,075    |
| Newcrest Finance Property Ltd., 4.45%,<br>11/15/21 (a)         | USD 475      | 492,688    |
| Novelis, Inc., 8.75%, 12/15/20                                 | 4,120        | 4,604,100  |
| Teck Resources Ltd., 5.38%, 10/01/15                           | 2,359        | 2,593,145  |
|  |              | 14,797,189 |
| <b>Oil, Gas &amp; Consumable Fuels 10.1%</b>                   |              |            |
| Access Midstream Partners LP, 6.13%, 7/15/22                   | 400          | 415,000    |
| Anadarko Petroleum Corp., 5.95%, 9/15/16                       | 1,916        | 2,215,632  |
| BP Capital Markets Plc, 3.13%, 10/01/15 (d)                    | 330          | 352,977    |
| Burlington Resources Finance Co., 7.40%,<br>12/01/31 (d)       | 875          | 1,268,935  |
| Cenovus Energy, Inc., 6.75%, 11/15/39                          | 750          | 1,006,300  |
| ConocoPhillips Canada Funding Co., 5.95%,<br>10/15/36 (d)      | 535          | 705,668    |
| Continental Resources, Inc., 5.00%, 9/15/22                    | 580          | 606,100    |
| Crosstex Energy LP, 8.88%, 2/15/18                             | 130          | 138,775    |
| Devon Energy Corp., 7.95%, 4/15/32                             | 625          | 930,858    |
| El Paso Natural Gas Co., LLC, 8.38%, 6/15/32                   | 275          | 385,590    |
| El Paso Pipeline Partners Operating Co. LLC,<br>6.50%, 4/01/20 | 240          | 282,929    |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                   | 540          | 602,100    |
| Enterprise Products Operating LLC:                             |              |            |
| 4.05%, 2/15/22   | 1,250        | 1,364,512  |
| 6.13%, 10/15/39  | 700          | 831,755    |
| 5.95%, 2/01/41   | 500          | 592,378    |
| Series L, 6.30%, 9/15/17                                       | 575          | 695,825    |
| KeySpan Gas East Corp., 5.82%, 4/01/41 (a)                     | 505          | 674,554    |

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|  |       |           |
|--|-------|-----------|
| Kinder Morgan Energy Partners LP:                      |       |           |
| 5.95%, 2/15/18   | 1,300 | 1,546,067 |
| 6.50%, 9/01/39   | 3,000 | 3,598,422 |
| 6.55%, 9/15/40   | 110   | 133,704   |
| 6.38%, 3/01/41   | 150   | 180,703   |
| 5.00%, 8/15/42   | 500   | 514,300   |
| Linn Energy LLC, 6.25%, 11/01/19 (a)                   | 590   | 582,625   |
| Marathon Petroleum Corp., 6.50%, 3/01/41               | 997   | 1,216,325 |
| MarkWest Energy Partners LP, 5.50%, 2/15/23            | 160   | 163,600   |
| MidAmerican Energy Co., 5.80%, 10/15/36                | 700   | 924,140   |
| MidAmerican Energy Holdings Co.:                       |       |           |
| 5.95%, 5/15/37   | 800   | 1,034,760 |
| 6.50%, 9/15/37   | 1,900 | 2,592,064 |
| Newfield Exploration Co., 5.63%, 7/01/24               | 850   | 922,250   |
| Nexen, Inc., 7.50%, 7/30/39                            | 1,000 | 1,400,190 |
| Offshore Group Investment Ltd., 11.50%,<br>8/01/15 (a) | 360   | 397,800   |
| Petrobras International Finance Co.:                   |       |           |
| 3.88%, 1/27/16   | 1,340 | 1,406,846 |
| 5.75%, 1/20/20   | 1,725 | 1,943,916 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>               |              |            |
| Pioneer Natural Resources Co., 3.95%, 7/15/22                    | USD 350      | \$ 364,140 |
| Premier Oil Plc, 5.00%, 6/09/18                                  | 1,900        | 1,957,000  |
| Range Resources Corp., 5.75%, 6/01/21                            | 935          | 994,606    |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16         | 890          | 952,300    |
| SandRidge Energy, Inc. (a):                                      |              |            |
| 7.50%, 3/15/21   | 275          | 278,438    |
| 7.50%, 2/15/23   | 230          | 231,150    |
| Tennessee Gas Pipeline Co. LLC, 7.50%, 4/01/17                   | 1,040        | 1,276,522  |
| Western Gas Partners LP, 5.38%, 6/01/21                          | 710          | 788,547    |
| The Williams Cos., Inc., Series A, 7.50%, 1/15/31                | 2,500        | 3,134,485  |
|  |              | 41,604,788 |
| <b>Paper &amp; Forest Products 1.1%</b>                          |              |            |
| Boise Paper Holdings LLC:  |              |            |
| 9.00%, 11/01/17  | 180          | 199,350    |
| 8.00%, 4/01/20   | 155          | 171,275    |
| Clearwater Paper Corp., 10.63%, 6/15/16                          | 620          | 692,850    |
| Domtar Corp., 6.25%, 9/01/42                                     | 2,000        | 2,067,086  |
| International Paper Co.:   |              |            |
| 7.50%, 8/15/21   | 75           | 97,579     |
| 4.75%, 2/15/22   | 420          | 472,491    |
| 6.00%, 11/15/41  | 435          | 518,358    |
| NewPage Corp., 11.38%, 12/31/14 (c)(i)                           | 430          | 291,325    |
|  |              | 4,510,314  |
| <b>Pharmaceuticals 0.2%</b>                                      |              |            |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)                     | EUR 200      | 281,118    |
| Pharmaceutical Product Development, Inc.,<br>9.50%, 12/01/19 (a) | USD 520      | 579,800    |
|  |              | 860,918    |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>                |              |            |
| Simon Property Group LP, 4.75%, 3/15/42                          | 835          | 919,518    |
| Ventas Realty LP/Ventas Capital Corp., 4.75%,<br>6/01/21         | 275          | 301,910    |
| Vornado Realty LP, 5.00%, 1/15/22                                | 1,185        | 1,294,881  |
|  |              | 2,516,309  |
| <b>Real Estate Management &amp; Development 0.6%</b>             |              |            |
| Punch Taverns Finance Plc, Series A2R, 6.82%,<br>7/15/20         | GBP 739      | 1,091,578  |
| Realogy Corp. (a)(d):  |              |            |
| 7.88%, 2/15/19   | USD 374      | 385,220    |
| 7.63%, 1/15/20   | 520          | 566,800    |
| WEA Finance LLC, 4.63%, 5/10/21 (a)                              | 305          | 331,379    |
|  |              | 2,374,977  |
| <b>Road &amp; Rail 0.5%</b>                                      |              |            |
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40                 | 950          | 1,177,384  |
| Florida East Coast Railway Corp., 8.13%, 2/01/17                 | 490          | 514,500    |
| The Hertz Corp., 7.38%, 1/15/21                                  | 545          | 592,688    |
|  |              | 2,284,572  |
| <b>Semiconductors &amp; Semiconductor</b>                        |              |            |

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|   |  |     |           |
|---|--|-----|-----------|
| <b>Equipment 0.1%</b>                           |  |     |           |
| Spanion LLC, 7.88%, 11/15/17                    |  | 390 | 380,250   |
| <b>Software 0.5%</b>                            |  |     |           |
| Nuance Communications, Inc., 5.38%, 8/15/20 (a) |  | 885 | 904,912   |
| Oracle Corp., 5.38%, 7/15/40 (d)                |  | 775 | 993,561   |
|   |  |     | 1,898,473 |

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>                          |     |              |              |
| <b>Specialty Retail 0.5%</b>                    |     |              |              |
| The Home Depot, Inc., 5.88%, 12/16/36           | USD | 830          | \$ 1,105,109 |
| QVC, Inc. (a):                                  |     |              |              |
| 7.50%, 10/01/19                                 |     | 85           | 94,181       |
| 7.38%, 10/15/20                                 |     | 35           | 39,000       |
| 5.13%, 7/02/22                                  |     | 965          | 1,011,458    |
|   |     |              | 2,249,748    |
| <b>Thrifts &amp; Mortgage Finance 0.2%</b>      |     |              |              |
| Radian Group, Inc., 5.38%, 6/15/15              |     | 1,400        | 1,053,500    |
| <b>Tobacco 0.9%</b>                             |     |              |              |
| Altria Group, Inc.:                             |     |              |              |
| 9.95%, 11/10/38                                 |     | 800          | 1,366,269    |
| 10.20%, 2/06/39                                 |     | 1,388        | 2,419,040    |
|   |     |              | 3,785,309    |
| <b>Wireless Telecommunication Services 2.0%</b> |     |              |              |
| America Movil SAB de CV, 2.38%, 9/08/16         |     | 795          | 825,533      |
| Crown Castle Towers LLC, 6.11%, 1/15/20 (a)     |     | 1,560        | 1,844,996    |
| Digicel Group Ltd. (a):                         |     |              |              |
| 9.13%, 1/15/15                                  |     | 560          | 565,600      |
| 8.25%, 9/01/17                                  |     | 150          | 159,000      |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20        |     | 750          | 776,250      |
| Rogers Communications, Inc., 7.50%, 8/15/38     |     | 1,150        | 1,668,734    |
| SBA Tower Trust, 5.10%, 4/17/17 (a)             |     | 360          | 401,457      |
| Sprint Capital Corp., 6.88%, 11/15/28           |     | 595          | 538,475      |
| Sprint Nextel Corp. (a):                        |     |              |              |
| 9.00%, 11/15/18                                 |     | 530          | 625,400      |
| 7.00%, 3/01/20                                  |     | 770          | 843,150      |
|   |     |              | 8,248,595    |
| <b>Total Corporate Bonds 77.0%</b>              |     |              | 316,776,637  |

|  |     |       |           |
|--|-----|-------|-----------|
| <b>Foreign Agency Obligations</b>                                |     |       |           |
| Deutsche Bundesrepublik Inflation Linked Bond,<br>1.75%, 4/15/20 | EUR | 3,290 | 4,910,866 |
| Hydro-Quebec, 9.40%, 2/01/21 (d)                                 | USD | 390   | 587,925   |
| Italy Government International Bond, 5.38%,<br>6/15/33           |     | 455   | 410,637   |
| Kreditanstalt fuer Wiederaufbau, 1.38%,<br>7/15/13 (d)           |     | 660   | 665,874   |
| <b>Total Foreign Agency Obligations 1.6%</b>                     |     |       | 6,575,302 |

|  |  |       |           |
|--|--|-------|-----------|
| <b>Non-Agency Mortgage-Backed Securities</b>   |  |       |           |
| <b>Collateralized Mortgage Obligations 2.7%</b>  |  |       |           |
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                     |  | 1,048 | 870,264   |
| Bear Stearns Adjustable Rate Mortgage Trust,<br>Series 2004-8, Class 14A1, 5.35%, 11/25/34 (b) |  | 358   | 323,844   |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35        |  | 1,444 | 1,234,452 |
|  |  | 788   | 432,579   |

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Series 2006-OA21, Class A1, 0.43%,

3/20/47 (b)

|  |     |         |
|--|-----|---------|
| Series 2007-HY4, Class 4A1, 5.18%, 6/25/47 | 771 | 569,288 |
|--|-----|---------|

Countrywide Home Loan Mortgage Pass-Through Trust:

|  |     |         |
|--|-----|---------|
| Series 2006-OA5, Class 2A1, 0.44%, 4/25/46 (b) | 321 | 192,889 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| Series 2007-10, Class A22, 6.00%, 7/25/37 | 612 | 507,650 |
|---|-----|---------|

|   |  |  |
|---|--|--|
| Credit Suisse First Boston Mortgage Securities Corp., |  |  |
|---|--|--|

|   |     |         |
|---|-----|---------|
| Series 2005-12, Class 6A1, 6.00%, 1/25/36 | 799 | 629,417 |
|---|-----|---------|

|  |  |  |
|--|--|--|
| Credit Suisse Mortgage Capital Certificates, |  |  |
|--|--|--|

|  |       |           |
|--|-------|-----------|
| Series 2011-2R, Class 2A1, 2.62%, 7/27/36 (a)(b) | 1,254 | 1,217,173 |
|--|-------|-----------|

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b>  |              |              |
| <b>Collateralized Mortgage Obligations (concluded)</b>  |              |              |
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3,<br>Class 5A1, 5.08%, 6/19/35 (b)                 | USD 1,038    | \$ 1,026,395 |
| GSR Mortgage Loan Trust:  |              |              |
| Series 2006-4F, Class 1A1, 5.00%, 5/25/36   | 576          | 535,706      |
| Series 2007-4F, Class 3A1, 6.00%, 7/25/37   | 721          | 657,467      |
| Homebanc Mortgage Trust, Series 2006-2, Class A1,<br>0.42%, 12/25/36 (b)                          | 599          | 414,442      |
| IndyMac IMJA Mortgage Loan Trust, Series 2007-A1,<br>Class A4, 6.00%, 8/25/37                     | 874          | 729,924      |
| JPMorgan Mortgage Trust, Series 2006-S3,<br>Class 1A12, 6.50%, 8/25/36                            | 290          | 269,881      |
| Merrill Lynch Mortgage Investors, Inc.,<br>Series 2006-A3, Class 3A1, 2.94%, 5/25/36 (b)          | 672          | 465,401      |
| Monastery BV, Series 2004-I, Class A2, 1.00%,<br>3/17/37 (b)                                      | EUR 1,020    | 986,507      |
| Wells Fargo Mortgage-Backed Securities Trust,<br>Series 2007-10, Class 1A21, 6.00%, 7/25/37       | USD 48       | 45,962       |
|   |              | 11,109,241   |
| <b>Commercial Mortgage-Backed Securities 12.1%</b>  |              |              |
| Banc of America Merrill Lynch Commercial<br>Mortgage, Inc., Class A4:                             |              |              |
| Series 2007-1, 5.45%, 1/15/49   | 500          | 572,826      |
| Series 2007-2, 5.80%, 4/10/49 (b)   | 750          | 869,145      |
| Bear Stearns Commercial Mortgage Securities,<br>Series 2005-PWR9, Class A4A, 4.87%, 9/11/42       | 800          | 885,825      |
| Citigroup Commercial Mortgage Trust,<br>Series 2008-C7, Class A4, 6.26%, 12/10/49 (b)             | 1,370        | 1,622,732    |
| Citigroup/Deutsche Bank Commercial Mortgage Trust,<br>Series 2006-CD3, Class AM, 5.65%, 10/15/48  | 1,093        | 1,147,290    |
| Commercial Mortgage Pass-Through Certificates,<br>Series 2006-C7, Class AM, 5.96%, 6/10/46 (b)    | 1,750        | 1,851,882    |
| Credit Suisse First Boston Mortgage Securities Corp.,<br>Series 2005-C3, Class AJ, 4.77%, 7/15/37 | 705          | 698,888      |
| Credit Suisse Mortgage Capital Certificates:  |              |              |
| Series 2006-C3, Class AM, 6.01%, 6/15/38 (b)  | 1,000        | 1,080,596    |
| Series 2006-C5, Class AM, 5.34%, 12/15/39   | 1,750        | 1,780,426    |
| Series 2010-RR2, Class 2A, 5.96%,<br>9/15/39 (a)(b)   | 1,010        | 1,144,527    |
| DBRR Trust, Series 2011-C32, Class A3A, 5.93%,<br>6/17/49 (a)(b)                                  | 365          | 419,450      |
| Extended Stay America Trust, Series 2010-ESHA (a):  |              |              |
| Class A, 2.95%, 11/05/27  | 484          | 487,693      |
| Class B, 4.22%, 11/05/27  | 2,000        | 2,027,044    |
| Class D, 5.50%, 11/05/27  | 210          | 213,237      |
| GMAC Commercial Mortgage Securities, Inc.,<br>Series 2002-C3, Class A2, 4.93%, 7/10/39            | 662          | 663,476      |
| Greenwich Capital Commercial Funding Corp.,<br>Class A4:  |              |              |
| Series 2006-GG7, 6.07%, 7/10/38 (b)   | 1,165        | 1,344,863    |
| Series 2007-GG9, 5.44%, 3/10/39   | 2,190        | 2,478,890    |

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|  |     |        |                      |              |
|--|-----|--------|----------------------|--------------|
| GS Mortgage Securities Corp. II, Series 2007-GG10,<br>Class A4, 5.98%, 8/10/45 (b)   |     | 435    |                      | 492,110      |
| JPMorgan Chase Commercial Mortgage<br>Securities Corp.:                              |     |        |                      |              |
| Series 2004-CB8, Class A1A, 4.16%,<br>1/12/39 (a)                                    |     | 2,276  |                      | 2,348,267    |
| Series 2004-LN2, Class A2, 5.12%, 7/15/41  |     | 820    |                      | 870,986      |
| Series 2006-CB14, Class AM, 5.64%,<br>12/12/44 (b)                                   |     | 330    |                      | 340,388      |
| Series 2006-CB16, Class AJ, 5.62%, 5/12/45   |     | 730    |                      | 622,873      |
|  |     |        | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Non-Agency Mortgage-Backed Securities</b>   |     |        |                      |              |
| <b>Commercial Mortgage-Backed Securities<br/>(concluded)</b>                         |     |        |                      |              |
| LB-UBS Commercial Mortgage Trust (b):  |     |        |                      |              |
| Series 2004-C8, Class C, 4.93%, 12/15/39   | USD | 1,385  | \$                   | 1,461,171    |
| Series 2007-C6, Class A4, 5.86%, 7/15/40   |     | 5,201  |                      | 6,077,072    |
| Series 2007-C7, Class A3, 5.87%, 9/15/45   |     | 1,460  |                      | 1,722,822    |
| Merrill Lynch Mortgage Trust (b):  |     |        |                      |              |
| Series 2004-BPC1, Class A3, 4.47%, 10/12/41  |     | 15     |                      | 15,280       |
| Series 2004-KEY2, Class A4, 4.86%, 8/12/39   |     | 1,000  |                      | 1,079,590    |
| Morgan Stanley Capital I:  |     |        |                      |              |
| Series 2004-HQ4, Class A7, 4.97%, 4/14/40  |     | 1,000  |                      | 1,059,938    |
| Series 2007-HQ11, Class A4, 5.45%,<br>2/12/44 (b)                                    |     | 4,000  |                      | 4,593,504    |
| Series 2007-XLC1, Class A2, 0.56%, 7/17/17   |     | 544    |                      | 511,457      |
| Morgan Stanley Re-Remic Trust, Series 2011-IO,<br>Class A, 2.50%, 3/23/51 (a)        |     | 831    |                      | 837,156      |
| Wachovia Bank Commercial Mortgage Trust:   |     |        |                      |              |
| Series 2006-C28, Class A2, 5.50%, 10/15/48   |     | 4,391  |                      | 4,402,438    |
| Series 2007-C33, Class A4, 6.10%, 2/15/51 (b)  |     | 2,185  |                      | 2,542,977    |
| WF-RBS Commercial Mortgage Trust, Class 2012-C8,<br>Class B:                         |     |        |                      |              |
| 4.31%, 8/15/45   |     | 695    |                      | 701,935      |
| 5.04%, 8/15/45 (b)   |     | 895    |                      | 872,924      |
|  |     |        |                      | 49,841,678   |
| <b>Interest Only Commercial Mortgage-Backed<br/>Securities 1.0%</b>                  |     |        |                      |              |
| Morgan Stanley Bank of America Merrill Lynch Trust,<br>2.10%, 8/15/45 (a)(b)         |     | 15,945 |                      | 1,808,282    |
| Morgan Stanley Capital I, Series 2012-C4, Class XA,<br>2.89%, 3/15/45 (a)(b)         |     | 9,617  |                      | 1,418,400    |
| WF-RBS Commercial Mortgage Trust, Series 2012-C8,<br>Class XA, 2.42%, 8/15/45 (a)(b) |     | 6,100  |                      | 833,138      |
|  |     |        |                      | 4,059,820    |
| <b>Total Non-Agency Mortgage-Backed Securities 15.8%</b>                             |     |        |                      | 65,010,739   |
| <b>Preferred Securities</b>  |     |        |                      |              |
| <b>Capital Trusts</b>  |     |        |                      |              |
| <b>Capital Markets 0.0%</b>  |     |        |                      |              |
| State Street Capital Trust IV, 1.47%, 6/01/77 (b)                                    |     | 70     |                      | 50,003       |
| <b>Commercial Banks 0.2%</b>   |     |        |                      |              |
| Fifth Third Capital Trust IV, 6.50%, 4/15/67 (b)                                     |     | 505    |                      | 505,000      |
| <b>Consumer Finance 0.2%</b>   |     |        |                      |              |
| Capital One Capital V, 10.25%, 8/15/39   |     | 200    |                      | 206,000      |
| Capital One Capital VI, 8.88%, 5/15/40   |     | 690    |                      | 706,047      |
|  |     |        |                      | 912,047      |
| <b>Insurance 1.6%</b>  |     |        |                      |              |
| The Allstate Corp., 6.50%, 5/15/67 (b)   |     | 1,950  |                      | 2,045,063    |
|  |     | 195    |                      | 232,781      |



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|   |       |           |
|---|-------|-----------|
| American International Group, Inc., 8.18%,<br>5/15/68 (b) |       |           |
| Lincoln National Corp., 6.05%, 4/20/67 (b)                | 675   | 651,375   |
| MetLife Capital Trust IV, 7.88%, 12/15/67 (a)             | 640   | 748,800   |
| MetLife, Inc., 6.40%, 12/15/66                            | 1,000 | 1,063,398 |
| Swiss Re Capital I LP, 6.85% (a)(b)(h)                    | 1,060 | 1,049,400 |
| XL Group Plc, Series E, 6.50% (b)(h)                      | 815   | 742,669   |
|   |       | 6,533,486 |
| <b>Total Capital Trusts 2.0%</b>                          |       | 8,000,536 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Shares           | Value        |
|--|------------------|--------------|
| <b>Preferred Stocks 1.0%</b>   |                  |              |
| <b>Commercial Banks 1.0%</b>   |                  |              |
| US Bancorp, 6.00% (b)  | 150,000          | \$ 4,156,500 |
| <b>Trust Preferreds 0.1%</b>   |                  |              |
| <b>Commercial Banks 0.1%</b>   |                  |              |
| Citigroup Capital XIII, 7.88%, 10/30/40 (b)  | 14,773           | 404,773      |
| <b>Total Preferred Securities 3.1%</b>   |                  | 12,561,809   |
|  | <b>Par (000)</b> |              |
| <b>Taxable Municipal Bonds</b>   |                  |              |
| City of Detroit Michigan Capital Improvement, GO, Taxable Capital Improvement, Limited Tax, Series A-2, 8.00%, 4/01/14 | USD 1,525        | 1,454,957    |
| District of Columbia, Refunding RB, Howard University, Series B, 7.63%, 10/01/35                                       | 1,000            | 1,246,860    |
| East Bay Municipal Utility District, RB, Build America Bonds, 5.87%, 6/01/40   | 950              | 1,304,264    |
| Indianapolis Local Public Improvement Bond Bank, RB, Build America Bonds, 6.12%, 1/15/40                               | 1,275            | 1,714,888    |
| Metropolitan Transportation Authority, RB, Build America Bonds, 7.34%, 11/15/39  | 625              | 942,344      |
| Municipal Electric Authority of Georgia Plant Vogtle Units 3 & 4, Refunding RB, Build America Bonds, 7.06%, 4/01/57    | 1,000            | 1,085,470    |
| New York City Municipal Water Finance Authority, RB, 5.72%, 6/15/42  | 700              | 949,711      |
| New York City Municipal Water Finance Authority, Refunding RB: 5.38%, 6/15/43  | 385              | 451,028      |
| 5.50%, 6/15/43   | 465              | 551,983      |
| New York State Dormitory Authority, RB: 5.63%, 3/15/39   | 550              | 696,789      |
| 5.60%, 3/15/40   | 950              | 1,224,958    |
| Port Authority of New York & New Jersey, RB, Consolidated, 159th Series, 6.04%, 12/01/29                               | 385              | 497,940      |
| State of California, GO, Build America Bonds: 7.63%, 3/01/40   | 860              | 1,168,043    |
| Various Purpose, 7.55%, 4/01/39  | 140              | 188,601      |
| State of Illinois, GO, Taxable-Pension, 5.10%, 6/01/33   | 1,000            | 968,960      |
| University of California, RB, Build America Bonds, 5.95%, 5/15/45  | 445              | 560,696      |
| <b>Total Taxable Municipal Bonds 3.7%</b>  |                  | 15,007,492   |
| <b>US Government Sponsored Agency Securities</b>   |                  |              |
| <b>Agency Obligations 3.3%</b>   |                  |              |
| Fannie Mae:  |                  |              |
| 1.94%, 10/09/19 (d)(j)   | 7,055            | 6,149,336    |
| 5.63%, 7/15/37 (k)   | 775              | 1,129,897    |
| Federal Home Loan Bank (d):  |                  |              |

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|  |       |            |
|--|-------|------------|
| 5.25%, 12/09/22                                | 675   | 877,298    |
| 5.37%, 9/09/24                                 | 1,075 | 1,414,746  |
| Resolution Funding Corp. (j):                  |       |            |
| 1.18%, 7/15/18                                 | 525   | 489,816    |
| 1.23%, 10/15/18                                | 525   | 486,906    |
| Tennessee Valley Authority, 5.25%, 9/15/39 (d) | 2,355 | 3,127,704  |
|  |       | 13,675,703 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>US Government Sponsored Agency Securities</b>  |              |            |
| <b>Collateralized Mortgage Obligations 0.6%</b>   |              |            |
| Fannie Mae Mortgage-Backed Securities,<br>Series 2005-5, Class PK, 5.00%, 12/25/34                      | USD 582      | \$ 627,109 |
| FHLMC Multifamily Structured Pass-Through<br>Certificates, Series K013, Class A2, 3.97%,<br>1/25/21 (l) | 940          | 1,080,113  |
| Freddie Mac Mortgage-Backed Securities,<br>Series 2825, Class VP, 5.50%, 6/15/15                        | 546          | 571,944    |
|   |              | 2,279,166  |

|   |     |         |
|---|-----|---------|
| <b>Commercial Mortgage-Backed Securities 0.0%</b>                                       |     |         |
| Freddie Mac Mortgage-Backed Securities,<br>Series K706, Class C, 4.16%, 11/25/44 (a)(b) | 165 | 152,848 |

|  |     |         |
|--|-----|---------|
| <b>Federal Deposit Insurance Corporation<br/>Guaranteed 0.1%</b> |     |         |
| General Electric Capital Corp., 2.13%, 12/21/12 (d)              | 515 | 517,962 |

|   |        |            |
|---|--------|------------|
| <b>Interest Only Collateralized Mortgage<br/>Obligations 3.0%</b> |        |            |
| Fannie Mae Mortgage-Backed Securities:                            |        |            |
| Series 2003-80, Class DI, 5.50%, 10/25/31                         | 4,942  | 297,781    |
| Series 2010-126, Class UI, 5.50%, 10/25/40                        | 5,923  | 945,726    |
| Series 2012-47, Class NI, 4.50%, 4/25/42                          | 6,127  | 1,238,668  |
| Series 2012-96, Class DI, 4.00%, 2/25/27                          | 10,000 | 1,005,358  |
| Series 2012-M9, Class X1, 4.25%, 12/25/17 (b)                     | 13,340 | 2,359,326  |
| Series K707, Class X1, 1.70%, 12/25/18 (b)                        | 2,508  | 205,043    |
| Freddie Mac Mortgage-Backed Securities:                           |        |            |
| Series 2579, Class HI, 5.00%, 8/15/17                             | 102    | 1,024      |
| Series 2611, Class QI, 5.50%, 9/15/32                             | 1,546  | 176,697    |
| Series K710, Class X1, 1.92%, 5/25/19 (b)                         | 8,653  | 840,188    |
| Ginnie Mae Mortgage-Backed Securities (b):                        |        |            |
| Series 2009-78, Class SD, 5.96%, 9/20/32                          | 7,783  | 1,515,737  |
| Series 2011-52, Class NS, 6.43%, 4/16/41                          | 21,186 | 3,759,998  |
|   |        | 12,345,546 |

|  |        |            |
|--|--------|------------|
| <b>Mortgage-Backed Securities 12.9%</b>                                |        |            |
| Fannie Mae Mortgage-Backed Securities:                                 |        |            |
| 3.00%, 9/15/42 (m)   | 16,300 | 16,908,704 |
| 3.50%, 3/01/42 (d)   | 1,443  | 1,530,581  |
| 4.00%, 12/01/41 (d)  | 5,094  | 5,468,815  |
| 4.50%, 7/01/41 (d)   | 6,883  | 7,483,245  |
| 5.00%, 8/01/34 (d)   | 5,001  | 5,501,982  |
| 5.50%, 6/01/38 (d)   | 3,453  | 3,806,851  |
| 6.00%, 12/01/38 9/15/42 (d)(m)   | 10,404 | 11,470,775 |
| Freddie Mac Mortgage-Backed Securities, 6.00%,<br>2/01/13 12/01/18 (d) | 540    | 580,677    |
| Ginnie Mae Mortgage-Backed Securities,<br>5.50%, 8/15/33               | 85     | 95,652     |
|  |        | 52,847,282 |

|  |  |            |
|--|--|------------|
| <b>Total US Government Sponsored Agency<br/>Securities 19.9%</b> |  | 81,818,507 |
|--|--|------------|

|                                |       |           |
|--------------------------------|-------|-----------|
| <b>US Treasury Obligations</b> |       |           |
| US Treasury Bonds (d):         |       |           |
| 8.13%, 8/15/21                 | 1,550 | 2,442,825 |

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|                 |        |            |
|-----------------|--------|------------|
| 6.25%, 8/15/23  | 5,085  | 7,439,197  |
| 3.50%, 2/15/39  | 330    | 388,988    |
| 4.25%, 5/15/39  | 6,045  | 8,035,129  |
| 4.38%, 5/15/40  | 6,375  | 8,655,057  |
| 4.75%, 2/15/41  | 1,630  | 2,344,144  |
| 4.38%, 5/15/41  | 800    | 1,088,125  |
| 3.13%, 11/15/41 | 20,915 | 22,921,543 |
| 3.13%, 2/15/42  | 6,268  | 6,862,482  |
| 3.00%, 5/15/42  | 2,730  | 2,915,555  |
| 2.75%, 8/15/42  | 10,900 | 11,046,474 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000)                         | Value        |
|--|--------------------------------------|--------------|
| <b>US Treasury Obligations</b>   |                                      |              |
| US Treasury Inflation Indexed Bonds, 0.75%,<br>2/15/42 (d)   | USD 4,270                            | \$ 4,658,648 |
| US Treasury Notes:   |                                      |              |
| 0.63%, 1/31/13 (k)   | 200                                  | 200,398      |
| 2.25%, 7/31/18 (d)   | 2,495                                | 2,705,516    |
| 2.63%, 8/15/20 (d)   | 1,105                                | 1,225,427    |
| 2.00%, 2/15/22 (d)   | 3,831                                | 4,006,989    |
| 1.75%, 5/15/22   | 156                                  | 159,169      |
| <b>Total US Treasury Obligations 21.2%</b>   |                                      | 87,095,666   |
| <b>Warrants (n)</b>  | <b>Shares</b>                        |              |
| <b>Software 0.0%</b>   |                                      |              |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17)   | 90                                   |              |
| <b>Total Long-Term Investments<br/>(Cost \$572,224,278) 149.1%</b>   |                                      | 612,917,442  |
| <b>Short-Term Securities</b>   |                                      |              |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (o)(p)  | 534,025                              | 534,025      |
| <b>Total Short-Term Securities<br/>(Cost \$534,025) 0.1%</b>   |                                      | 534,025      |
|  | <b>Notional<br/>Amount<br/>(000)</b> |              |
| <b>Options Purchased</b>   |                                      |              |
| <b>Over-the-Counter Interest Rate Call<br/>Swaptions 0.0%</b>  |                                      |              |
| Receive a fixed rate of 1.10% and pay a floating rate<br>based on 3-month LIBOR, Expires 7/31/13,<br>Broker JPMorgan Chase & Co.   | USD 13,500                           | 160,273      |
| <b>Over-the-Counter Interest Rate Put<br/>Swaptions 0.1%</b>   |                                      |              |
| Pay a fixed rate of 3.50% and receive a floating rate<br>based on a 6-month EURIBOR, Expires 11/08/12,<br>Broker Citigroup, Inc.   | EUR 4,000                            | 296          |
| Pay a fixed rate of 2.08% and receive a floating rate<br>based on a 3-month LIBOR, Expires 3/26/13,<br>Broker JPMorgan Chase & Co. | USD 45,300                           | 31,932       |
| Pay a fixed rate of 3.25% and receive a floating rate<br>based on a 3-month LIBOR, Expires 6/03/13,<br>Broker JPMorgan Chase & Co. | 1,200                                | 24,257       |
| Pay a fixed rate of 3.75% and receive a floating rate<br>based on a 3-month LIBOR, Expires 6/03/13,<br>Broker JPMorgan Chase & Co. | 2,400                                | 18,246       |
| Pay a fixed rate of 4.25% and receive a floating rate<br>based on a 3-month LIBOR, Expires 6/03/13,<br>Broker JPMorgan Chase & Co. | 4,800                                | 13,214       |
|  | 15,500                               | 78,385       |

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|   |     |                              |    |              |
|---|-----|------------------------------|----|--------------|
| Pay a fixed rate of 1.50% and receive a floating rate based on a 3-month LIBOR, Expires 7/11/13,<br>Broker JPMorgan Chase & Co.     |     |                              |    |              |
| Pay a fixed rate of 1.50% and receive a floating rate based on a 3-month LIBOR, Expires 7/19/13,<br>Broker Deutsche Bank AG         |     | 9,700                        |    | 51,259       |
|   |     | <b>Notional Amount (000)</b> |    | <b>Value</b> |
| <b>Options Purchased</b>  |     |                              |    |              |
| <b>Over-the-Counter Interest Rate Put Swaptions (concluded)</b>   |     |                              |    |              |
| Pay a fixed rate of 1.10% and receive a floating rate based on a 3-month LIBOR, Expires 7/31/13,<br>Broker JPMorgan Chase & Co.     | USD | 13,500                       | \$ | 144,667      |
| Pay a fixed rate of 4.50% and receive a floating rate based on a 3-month LIBOR, Expires 3/16/17,<br>Broker Deutsche Bank AG         |     | 6,300                        |    | 164,038      |
|   |     |                              |    | 526,294      |
|   |     | <b>Contracts</b>             |    |              |
| <b>Over-the-Counter Put Options 0.1%</b>  |     |                              |    |              |
| S&P 500 Index, Strike Price USD 1,375.00,<br>Expires 10/19/12, Broker Deutsche Bank AG  |     | 12,000                       |    | 271,612      |
| <b>Total Options Purchased (Cost \$1,881,745) 0.2%</b>  |     |                              |    | 958,179      |
| <b>Total Investments Before Options Written (Cost \$574,640,048) 149.4%</b>   |     |                              |    | 614,409,646  |
|   |     | <b>Notional Amount (000)</b> |    |              |
| <b>Options Written</b>  |     |                              |    |              |
| <b>Over-the-Counter Interest Rate Call Swaptions (1.3)%</b>   |     |                              |    |              |
| Pay a fixed rate of 2.00% and receive a floating rate based on 3-month LIBOR, Expires 8/28/13,<br>Broker Royal Bank of Scotland Plc | USD | 14,000                       |    | (484,456)    |
| Pay a fixed rate of 2.09% and receive a floating rate based on 3-month LIBOR, Expires 1/03/14,<br>Broker Deutsche Bank AG           |     | 4,200                        |    | (194,058)    |
| Pay a fixed rate of 2.06% and receive a floating rate based on 3-month LIBOR, Expires 4/09/14,<br>Broker JPMorgan Chase & Co.       |     | 16,100                       |    | (679,236)    |
| Pay a fixed rate of 1.40% and receive a floating rate based on 3-month LIBOR, Expires 5/08/14,<br>Broker Deutsche Bank AG           |     | 9,700                        |    | (172,502)    |
| Pay a fixed rate of 1.15% and receive a floating rate based on 3-month LIBOR, Expires 6/09/14,<br>Broker Deutsche Bank AG           |     | 9,300                        |    | (101,092)    |
| Pay a fixed rate of 1.15% and receive a floating rate based on 3-month LIBOR, Expires 6/09/14,<br>Broker BNP Paribas SA             |     | 30,300                       |    | (329,364)    |
| Pay a fixed rate of 1.20% and receive a floating rate based on 3-month LIBOR, Expires 6/18/14,<br>Broker Deutsche Bank AG           |     | 12,500                       |    | (150,301)    |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/11/14,<br>Broker Bank of America Corp.      |     | 9,000                        |    | (68,623)     |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/11/14,<br>Broker JPMorgan Chase & Co.       |     | 15,500                       |    | (118,184)    |
|   |     | 9,700                        |    | (73,920)     |

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|   |        |           |
|---|--------|-----------|
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/21/14,<br>Broker Deutsche Bank AG     |        |           |
| Pay a fixed rate of 1.48% and receive a floating rate based on 3-month LIBOR, Expires 7/31/14,<br>Broker JPMorgan Chase & Co. | 10,000 | (191,236) |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 8/01/14,<br>Broker Deutsche Bank AG     | 9,700  | (73,630)  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Notional<br>Amount<br>(000) | Value        |
|--|-----------------------------|--------------|
| <b>Options Written</b>   |                             |              |
| <b>Over-the-Counter Interest Rate Call</b>   |                             |              |
| <b>Swaptions (concluded)</b>   |                             |              |
| Pay a fixed rate of 3.65% and receive a floating rate based on 3-month LIBOR, Expires 3/27/17, Broker JPMorgan Chase & Co.       | USD 1,100                   | \$ (119,428) |
| Pay a fixed rate of 3.53% and receive a floating rate based on 3-month LIBOR, Expires 3/30/17, Broker Deutsche Bank AG           | 15,000                      | (1,522,874)  |
| Pay a fixed rate of 3.60% and receive a floating rate based on 3-month LIBOR, Expires 4/03/17, Broker Goldman Sachs & Co.        | 8,200                       | (866,884)    |
|  |                             | (5,145,788)  |
| <b>Over-the-Counter Interest Rate Put</b>  |                             |              |
| <b>Swaptions (0.8)%</b>  |                             |              |
| Receive a fixed rate of 1.59% and pay a floating rate based on 3-month LIBOR, Expires 11/30/12, Broker JPMorgan Chase & Co.      | 11,200                      | (4,472)      |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 8/28/13, Broker Royal Bank of Scotland Plc | 14,000                      | (407,736)    |
| Receive a fixed rate of 2.09% and pay a floating rate based on 3-month LIBOR, Expires 1/03/14, Broker Deutsche Bank AG           | 4,200                       | (21,801)     |
| Receive a fixed rate of 2.06% and pay a floating rate based on 3-month LIBOR, Expires 4/09/14, Broker JPMorgan Chase & Co.       | 16,100                      | (125,195)    |
| Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, Expires 5/08/14, Broker Deutsche Bank AG           | 9,700                       | (59,650)     |
| Receive a fixed rate of 2.15% and pay a floating rate based on 3-month LIBOR, Expires 6/09/14, Broker BNP Paribas SA             | 30,300                      | (263,713)    |
| Receive a fixed rate of 2.15% and pay a floating rate based on 3-month LIBOR, Expires 6/09/14, Broker Deutsche Bank AG           | 9,300                       | (80,942)     |
| Receive a fixed rate of 2.20% and pay a floating rate based on 3-month LIBOR, Expires 6/18/14, Broker Deutsche Bank AG           | 12,500                      | (107,030)    |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/11/14, Broker Bank of America Corp.      | 9,000                       | (100,247)    |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/11/14, Broker JPMorgan Chase & Co.       | 15,500                      | (172,648)    |



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|  |        |           |
|--|--------|-----------|
| Receive a fixed rate of 1.95% and pay a floating rate based on 3-month LIBOR, Expires 7/16/14, Broker Deutsche Bank AG     | 24,800 | (292,925) |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/21/14, Broker Deutsche Bank AG     | 9,700  | (110,702) |
| Receive a fixed rate of 1.48% and pay a floating rate based on 3-month LIBOR, Expires 7/31/14, Broker JPMorgan Chase & Co. | 10,000 | (193,489) |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 8/01/14, Broker JPMorgan Chase & Co. | 11,200 | (132,625) |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 8/01/14, Broker Deutsche Bank AG     | 9,700  | (114,863) |
| Receive a fixed rate of 6.00% and pay a floating rate based on 3-month LIBOR, Expires 3/16/17, Broker Deutsche Bank AG     | 12,600 | (159,697) |
| Receive a fixed rate of 3.65% and pay a floating rate based on 3-month LIBOR, Expires 3/27/17, Broker JPMorgan Chase & Co. | 1,100  | (46,198)  |

|   | Notional<br>Amount<br>(000) | Value        |
|---|-----------------------------|--------------|
| <b>Options Written</b>  |                             |              |
| <b>Over-the-Counter Interest Rate Put Swaptions (concluded)</b>   |                             |              |
| Receive a fixed rate of 3.53% and pay a floating rate based on 3-month LIBOR, Expires 3/30/17, Broker Deutsche Bank AG          | USD 15,000                  | \$ (673,874) |
| Receive a fixed rate of 3.60% and pay a floating rate based on 3-month LIBOR, Expires 4/03/17, Broker Goldman Sachs Group, Inc. | 8,200                       | (354,828)    |
|   |                             | (3,422,635)  |

|   | Notional<br>Amount<br>(000) | Value          |
|---|-----------------------------|----------------|
| <b>Contracts</b>  |                             |                |
| <b>Over-the-Counter Put Options (0.0)%</b>  |                             |                |
| S&P 500 Index, Strike Price USD 1,325.00, Expires 10/19/12, Broker Deutsche Bank AG | 9,500                       | (114,598)      |
| <b>Total Options Written</b>  |                             | (8,683,021)    |
| <b>(Premiums Received \$8,732,899) (2.1)%</b>                                       |                             | 605,726,625    |
| <b>Total Investments, Net of Options Written 147.3%</b>                             |                             | (194,590,782)  |
| <b>Liabilities in Excess of Other Assets (47.3)%</b>                                |                             | \$ 411,135,843 |
| <b>Net Assets 100.0%</b>  |                             |                |

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (e) Convertible security.
- (f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

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- (g) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (h) Security is perpetual in nature and has no stated maturity date.
- (i) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (j) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (k) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (l) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (m) Represents or includes a TBA transaction. Unsettled TBA transactions as of August 31, 2012 were as follows:

| Counterparty              | Value         | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------|---------------|--|
| Credit Suisse Group AG    | \$ 4,186,680  | \$ (1,930)                                   |
| Deutsche Bank AG          | \$ 3,966,328  | \$ (422)                                     |
| Goldman Sachs Group, Inc. | \$ 16,908,704 | \$ 2,548                                     |

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Core Bond Trust (BHK)

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

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held<br>at<br>August 31,<br>2012 | Income   |
|--|--------------------------------------|-----------------|---|----------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 4,711,687                            | (4,177,662)     | 534,025                                 | \$ 3,361 |

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

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

Reverse repurchase agreements outstanding as of August 31, 2012 were as follows:

| Counterparty                          | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Face Value | Face Value<br>Including<br>Accrued<br>Interest |
|---------------------------------------|------------------|---------------|------------------|------------|--|
| UBS Securities LLC                    | (1.25)%          | 2/02/12       | Open             | \$ 440,700 | \$ 437,471                                     |
| BNP Paribas<br>Securities Corp.       | 0.18%            | 4/18/12       | Open             | 1,192,019  | 1,192,823                                      |
| Deutsche Bank<br>Securities           | 0.11%            | 4/24/12       | Open             | 2,186,238  | 2,187,099                                      |
| Deutsche Bank<br>Securities           | 0.12%            | 4/24/12       | Open             | 2,672,769  | 2,673,918                                      |
| UBS Securities LLC                    | (0.25)%          | 4/26/12       | Open             | 488,725    | 488,294  |
| Bank of America<br>Merrill Lynch      | 0.22%            | 5/07/12       | Open             | 863,156    | 863,768  |
| Deutsche Bank<br>Securities           | 0.21%            | 5/07/12       | Open             | 5,688,094  | 5,691,943                                      |
| BNP Paribas<br>Securities Corp.       | 0.19%            | 5/09/12       | Open             | 367,950    | 368,171  |
| BNP Paribas<br>Securities Corp.       | 0.18%            | 5/09/12       | Open             | 1,039,000  | 1,039,592                                      |
| UBS Securities LLC                    | 0.28%            | 5/10/12       | Open             | 3,492,650  | 3,495,720                                      |
| Bank of America<br>Merrill Lynch      | 0.25%            | 6/05/12       | Open             | 1,431,094  | 1,431,958                                      |
| BNP Paribas<br>Securities Corp.       | 0.23%            | 6/05/12       | Open             | 23,163,363 | 23,176,237                                     |
| UBS Securities LLC                    | 0.32%            | 6/06/12       | Open             | 13,803,750 | 13,814,302                                     |
| Credit Suisse<br>Securities (USA) LLC | 0.30%            | 6/20/12       | Open             | 793,406    | 793,882  |
| Credit Suisse<br>Securities (USA) LLC | 0.23%            | 6/20/12       | Open             | 549,050    | 549,303  |
| UBS Securities LLC                    | 0.32%            | 6/29/12       | Open             | 2,488,625  | 2,490,019                                      |

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|                                    |         |         |      |           |           |
|------------------------------------|---------|---------|------|-----------|-----------|
| Deutsche Bank Securities           | (2.00)% | 7/02/12 | Open | 320,705   | 319,636   |
| BNP Paribas Securities Corp.       | 0.17%   | 7/18/12 | Open | 7,051,500 | 7,052,965 |
| Credit Suisse Securities (USA) LLC | 0.23%   | 7/25/12 | Open | 3,161,588 | 3,162,335 |
| Credit Suisse Securities (USA) LLC | 0.21%   | 7/25/12 | Open | 2,528,438 | 2,528,983 |

Reverse repurchase agreements outstanding as of August 31, 2012 were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value     | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|----------------|---------------------------------------|
| Bank of America Merrill Lynch      | 0.18%         | 7/26/12    | Open          | \$ 22,098,513  | \$ 22,102,490                         |
| Bank of America Merrill Lynch      | 0.17%         | 7/26/12    | Open          | 7,671,994      | 7,673,298                             |
| UBS Securities LLC                 | 0.33%         | 7/30/12    | Open          | 2,888,174      | 2,889,023                             |
| UBS Securities LLC                 | 0.34%         | 7/31/12    | Open          | 1,496,275      | 1,496,713                             |
| UBS Securities LLC                 | 0.35%         | 7/31/12    | Open          | 883,125        | 883,391                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/02/12    | Open          | 5,138,813      | 5,140,261                             |
| Morgan Stanley & Co. International | 0.10%         | 8/02/12    | Open          | 1,165,443      | 1,165,537                             |
| Credit Suisse Securities (USA) LLC | 0.14%         | 8/07/12    | Open          | 4,032,128      | 4,032,504                             |
| UBS Securities LLC                 | 0.34%         | 8/07/12    | Open          | 3,425,000      | 3,425,776                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/08/12    | Open          | 1,504,356      | 1,504,693                             |
| Barclays Capital, Inc.             | 0.35%         | 8/09/12    | Open          | 4,342,543      | 4,343,474                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/09/12    | Open          | 1,718,681      | 1,719,049                             |
| Credit Suisse Securities (USA) LLC | 0.31%         | 8/10/12    | 9/13/12       | 26,404,388     | 26,409,162                            |
| UBS Securities LLC                 | 0.34%         | 8/13/12    | Open          | 2,869,999      | 2,870,489                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/15/12    | Open          | 1,648,500      | 1,648,756                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/16/12    | Open          | 818,125        | 818,244                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/17/12    | Open          | 1,509,093      | 1,509,299                             |
| Barclays Capital, Inc.             | 0.35%         | 8/21/12    | Open          | 5,635,800      | 5,636,348                             |
| BNP Paribas Securities Corp.       | 0.11%         | 8/21/12    | Open          | 2,791,425      | 2,791,510                             |
| BNP Paribas Securities Corp.       | 0.17%         | 8/30/12    | 9/04/12       | 10,913,625     | 10,913,677                            |
| <b>Total</b>                       |               |            |               | \$ 182,678,820 | \$ 182,732,113                        |

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

| Contracts | Issue                    | Exchange               | Expiration    | Notional Value | Unrealized Appreciation |
|-----------|--------------------------|------------------------|---------------|----------------|-------------------------|
| 272       | 30-Year US Treasury Bond | Chicago Board of Trade | December 2012 | USD 41,182,500 | \$ 459,745              |
| 79        | 5-Year US Treasury Note  | Chicago Board of Trade | December 2012 | USD 9,848,461  | 46,786                  |
| 22        |                          |                        |               | USD 3,718,000  | 41,724                  |

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|              | Ultra Long US<br>Treasury Bond | Chicago Board<br>of Trade | December<br>2012 |    |         |
|--------------|--------------------------------|---------------------------|------------------|----|---------|
| <b>Total</b> |                                |                           |                  | \$ | 548,255 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

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

| Contracts    | Issue                    | Exchange               | Expiration     | Notional Value | Unrealized Depreciation |
|--------------|--------------------------|------------------------|----------------|----------------|-------------------------|
| 15           | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2012 | USD 3,735,375  | \$ (1,126)              |
| 15           | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2012  | USD 3,736,688  | (2,926)                 |
| 348          | 10-Year US Treasury Note | Chicago Board of Trade | December 2012  | USD 46,534,125 | (390,884)               |
| 438          | 2-Year US Treasury Note  | Chicago Board of Trade | December 2012  | USD 96,613,219 | (88,427)                |
| 15           | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2013     | USD 3,736,688  | (3,788)                 |
| 12           | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2013      | USD 2,989,050  | (2,130)                 |
| 12           | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2013 | USD 2,988,600  | (5,559)                 |
| 16           | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2013  | USD 3,983,800  | (11,342)                |
| 12           | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2014     | USD 2,987,100  | (7,854)                 |
| 9            | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2014      | USD 2,239,537  | (4,335)                 |
| 9            | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2014 | USD 2,238,637  | (8,112)                 |
| 9            | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2014  | USD 2,237,287  | (9,286)                 |
| 49           | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2015     | USD 12,174,663 | (61,708)                |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2015      | USD 9,931,000  | (52,784)                |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2015 | USD 9,920,500  | (61,610)                |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2015  | USD 9,907,000  | (63,110)                |
| <b>Total</b> |                          |                        |                |                | \$ (774,981)            |

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

| Currency Purchased | Currency Sold | Counterparty           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|------------------------|-----------------|--|
| GBP 270,581        | USD 425,000   | Deutsche Bank AG       | 10/17/12        | \$ 4,578                               |
| USD 918,184        | GBP 588,000   | Credit Suisse Group AG | 10/17/12        | (15,332)                               |
| USD 2,726,780      | GBP 1,756,500 | UBS AG                 | 10/17/12        | (61,862)                               |
| EUR 428,025        | USD 526,000   | UBS AG                 | 10/22/12        | 12,643                                 |
| USD 10,490,269     | EUR 8,556,500 | Citigroup, Inc.        | 10/22/12        | (277,561)                              |
| <b>Total</b>       |               |                        |                 | \$ (337,534)                           |

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

| Issuer                                     | Pay Fixed Rate | Counterparty         | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--|----------------|----------------------|-----------------|-----------------------|--|
| Radian Group, Inc.                         | 5.00%          | Citigroup, Inc.      | 6/20/15         | USD 1,400             | \$ 232,792                             |
| The New York Times Co.                     | 1.00%          | Barclays Plc         | 12/20/16        | USD 1,800             | (5,281)                                |
| DE Master Blenders, Inc.                   | 1.00%          | JPMorgan Chase & Co. | 3/20/17         | USD 202               | (3,942)                                |
| Hillshire Brands Co.                       | 1.00%          | JPMorgan Chase & Co. | 3/20/17         | USD 202               | 7,330                                  |
| XL Group Plc                               | 1.00%          | JPMorgan Chase & Co. | 6/20/17         | USD 1,600             | (26,877)                               |
| Australia & New Zealand Banking Group Ltd. | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 1,023             | (4,797)                                |
| Commonwealth Bank of Australia             | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 2,000             | (9,400)                                |
| National Australia Bank Ltd.               | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 2,000             | (6,587)                                |
| Westpac Banking Corp.                      | 1.00 %         | Deutsche Bank AG     | 9/20/17         | USD 1,023             | (6,203)                                |
| <b>Total</b>                               |                |                      |                 |                       | \$ 177,035                             |

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

| Issuer        | Receive Fixed Rate | Counterparty              | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|---------------|--------------------|---------------------------|-----------------|-----------------------------------|------------------------------------|-------------------------|
| MetLife, Inc. | 1.00%              | Credit Suisse Group AG    | 9/20/16         | A                                 | USD 535                            | \$ 19,275               |
| MetLife, Inc. | 1.00%              | Deutsche Bank AG          | 9/20/16         | A                                 | USD 730                            | 21,665                  |
| MetLife, Inc. | 1.00%              | Goldman Sachs Group, Inc. | 9/20/16         | A                                 | USD 500                            | 13,927                  |
| MetLife, Inc. | 1.00%              | Morgan Stanley            | 9/20/16         | A                                 | USD 275                            | 5,819                   |
| MetLife, Inc. | 1.00%              | Morgan Stanley            | 9/20/16         | A                                 | USD 900                            | 25,526                  |
| MetLife, Inc. | 1.00%              | Citigroup, Inc.           | 12/20/16        | A                                 | USD 298                            | 5,859                   |
| MetLife, Inc. | 1.00%              | Citigroup, Inc.           | 12/20/16        | A                                 | USD 285                            | 7,115                   |
| <b>Total</b>  |                    |                           |                 |                                   |                                    | \$ 99,186               |

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

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

See Notes to Financial Statements.





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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

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

| Index  | Receive Fixed Rate | Counterparty   | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|--|--------------------|----------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Markit CMBX North America AAA Index Series 3 | 0.08%              | Morgan Stanley | 12/13/49        | A+                         | USD 525                            | \$ 27,769               |
| Markit CMBX North America AAA Index Series 4 | 0.35%              | Morgan Stanley | 2/17/51         | A                          | USD 525                            | 24,418                  |
| <b>Total</b>                                 |                    |                |                 |                            |                                    | \$ 52,187               |

<sup>1</sup> Using S&P's rating of the underlying securities.

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

Interest rate swaps outstanding as of August 31, 2012 were as follows:

| Fixed Rate         | Floating Rate   | Counterparty                     | Expiration Date |     | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|-----------------|----------------------------------|-----------------|-----|-----------------------|--|
| 1.26% <sup>3</sup> | 3-month CBA     | JPMorgan Chase & Co.             | 6/25/14         | CAD | 29,600                | \$ (54,648)                            |
| 1.27% <sup>3</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/03/14         | CAD | 13,600                | (24,083)                               |
| 1.33% <sup>3</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/05/14         | CAD | 13,600                | (15,890)                               |
| 1.22% <sup>3</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/09/14         | CAD | 13,600                | (30,755)                               |
| 1.24% <sup>3</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/11/14         | CAD | 13,600                | (28,174)                               |
| 1.66% <sup>4</sup> | 3-month CBA     | JPMorgan Chase & Co.             | 6/25/16         | CAD | 15,000                | 15,752                                 |
| 1.64% <sup>4</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/03/16         | CAD | 13,600                | 19,878                                 |
| 1.70% <sup>4</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/05/16         | CAD | 13,600                | 4,354                                  |
| 0.87% <sup>4</sup> | 3-month LIBOR   | Royal Bank of Scotland Group Plc | 7/31/17         | USD | 4,000                 | (22,137)                               |
| 1.74% <sup>3</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 3/30/18         | USD | 1,000                 | 38,661                                 |
| 1.20% <sup>3</sup> | 3-month LIBOR   | JPMorgan Chase & Co.             | 8/30/18         | USD | 7,900                 | 35,996                                 |
| 1.51% <sup>3</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 7/13/19         | USD | 5,900                 | 14,969                                 |
| 3.27% <sup>4</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 5/16/21         | USD | 910                   | (134,713)                              |
| 2.08% <sup>3</sup> | 3-month LIBOR   | Morgan Stanley                   | 4/26/22         | USD | 6,400                 | 268,975                                |
| 2.04% <sup>3</sup> | 3-month LIBOR   | Morgan Stanley                   | 5/04/22         | USD | 11,500                | 434,771                                |
| 1.94% <sup>3</sup> | 3-month LIBOR   | Citigroup, Inc.                  | 5/16/22         | USD | 500                   | 13,952                                 |
| 1.89% <sup>3</sup> | 6-month EURIBOR | Citigroup, Inc. Credit Suisse    | 6/27/22         | EUR | 1,800                 | 38,016                                 |
| 1.60% <sup>3</sup> | 3-month LIBOR   | Group AG                         | 8/02/22         | USD | 2,500                 | (14,472)                               |

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|                    |               |                  |          |     |       |             |
|--------------------|---------------|------------------|----------|-----|-------|-------------|
| 1.61% <sup>3</sup> | 3-month LIBOR | Deutsche Bank AG | 8/06/22  | USD | 1,700 | (8,139)     |
|                    |               | Credit Suisse    |          |     |       |             |
| 1.74% <sup>4</sup> | 3-month LIBOR | Group AG         | 8/07/22  | USD | 6,000 | (42,635)    |
|                    |               | Credit Suisse    |          |     |       |             |
| 1.79% <sup>4</sup> | 3-month LIBOR | Group AG         | 8/10/22  | USD | 1,000 | (11,721)    |
| 1.91% <sup>3</sup> | 3-month LIBOR | Deutsche Bank AG | 8/21/22  | USD | 3,900 | 90,759      |
|                    |               | JPMorgan         |          |     |       |             |
| 1.93% <sup>4</sup> | 3-month LIBOR | Chase & Co.      | 8/21/22  | USD | 2,000 | (48,609)    |
|                    | 6-month       |                  |          |     |       |             |
| 2.58% <sup>4</sup> | EURIBOR       | Deutsche Bank AG | 11/11/41 | EUR | 350   | (37,911)    |
|                    | 6-month       |                  |          |     |       |             |
| 2.68% <sup>4</sup> | EURIBOR       | Deutsche Bank AG | 11/18/41 | EUR | 745   | (101,624)   |
| 3.07% <sup>4</sup> | 3-month LIBOR | Barclays Plc     | 3/21/42  | USD | 8,200 | (1,060,280) |

Interest rate swaps outstanding as of August 31, 2012 were as follows (concluded):

| Fixed Rate         | Floating Rate | Counterparty     | Expiration Date |     | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|------------------|-----------------|-----|-----------------------|--|
|                    | 6-month       |                  |                 |     |                       |  |
| 2.15% <sup>4</sup> | EURIBOR       | Citigroup, Inc.  | 6/27/42         | EUR | 770                   | \$ 8,297                               |
|                    |               | JPMorgan         |                 |     |                       |  |
| 2.41% <sup>4</sup> | 3-month LIBOR | Chase & Co.      | 7/02/42         | USD | 3,400                 | 51,292                                 |
| 2.48% <sup>4</sup> | 3-month LIBOR | Deutsche Bank AG | 7/05/42         | USD | 4,500                 | (7,362)                                |
| 2.52% <sup>4</sup> | 3-month LIBOR | Citigroup, Inc.  | 9/04/42         | USD | 5,100                 | (59,408)                               |
|                    |               | Goldman Sachs    |                 |     |                       |  |
| 2.52% <sup>4</sup> | 3-month LIBOR | Group, Inc.      | 9/04/42         | USD | 5,100                 | (57,332)                               |
| <b>Total</b>       |               |                  |                 |     |                       | \$ (724,221)                           |

<sup>3</sup> Trust pays the floating rate and receives the fixed rate.

<sup>4</sup> Trust pays the fixed rate and receives the floating rate.

Total return swaps outstanding as of August 31, 2012 were as follows:

| Reference Entity   | Fixed Rate         | Counterparty          | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--|--------------------|-----------------------|-----------------|-----------------------|-------------------------|
| Change in Return of the Consumer Price Index for All Urban Consumers | 2.18% <sup>5</sup> | Bank of America Corp. | 10/06/21        | USD 1,880             | \$ (43,272)             |

<sup>5</sup> Trust pays the total return of the reference entity and receives the fixed rate. Net payment made at termination.

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

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

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

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

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

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

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

|   | Level 1      | Level 2        | Level 3      | Total          |
|---|--------------|----------------|--------------|----------------|
| <b>Assets:</b>                            |              |                |              |                |
| Investments:                              |              |                |              |                |
| Long-Term Investments:                    |              |                |              |                |
| Asset-Backed Securities                   |              | \$ 26,482,120  | \$ 1,505,315 | \$ 27,987,435  |
| Common Stocks                             | \$ 83,854    |                | 1            | 83,855         |
| Corporate Bonds                           |              | 311,551,829    | 5,224,808    | 316,776,637    |
| Foreign Agency Obligations                |              | 6,575,302      |              | 6,575,302      |
| Non-Agency Mortgage-Backed Securities     |              | 64,499,282     | 511,457      | 65,010,739     |
| Preferred Securities                      | 4,561,273    | 8,000,536      |              | 12,561,809     |
| Taxable Municipal Bonds                   |              | 15,007,492     |              | 15,007,492     |
| US Government Sponsored Agency Securities |              | 81,818,507     |              | 81,818,507     |
| US Treasury Obligations                   |              | 87,095,666     |              | 87,095,666     |
| Short-Term Securities                     | 534,025      |                |              | 534,025        |
| <b>Total</b>                              | \$ 5,179,152 | \$ 601,030,734 | \$ 7,241,581 | \$ 613,451,467 |

|   | Level 1      | Level 2        | Level 3 | Total          |
|---|--------------|----------------|---------|----------------|
| Derivative Financial Instruments <sup>1</sup> |              |                |         |                |
| <b>Assets:</b>                                |              |                |         |                |
| Credit contracts                              |              | \$ 391,495     |         | \$ 391,495     |
| Equity contracts                              |              | 271,612        |         | 271,612        |
| Foreign currency contracts                    |              | 17,221         |         | 17,221         |
| Interest rate contracts                       | \$ 548,255   | 1,722,239      |         | 2,270,494      |
| <b>Liabilities:</b>                           |              |                |         |                |
| Credit contracts                              |              | (63,087)       |         | (63,087)       |
| Equity contracts                              |              | (114,598)      |         | (114,598)      |
| Foreign currency contracts                    |              | (354,755)      |         | (354,755)      |
| Interest rate contracts                       | (774,981)    | (10,328,316)   |         | (11,103,297)   |
| Other contracts                               |              | (43,272)       |         | (43,272)       |
| <b>Total</b>                                  | \$ (226,726) | \$ (8,501,461) |         | \$ (8,728,187) |

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

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instrument and options are shown at value.

Certain of the Trust's assets and liabilities are held at carrying or face value amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|   | Level 1              | Level 2                 | Level 3 | Total                   |
|---|----------------------|-------------------------|---------|-------------------------|
| <b>Assets:</b>  |                      |                         |         |                         |
| Cash  | \$ 340,000           |                         |         | \$ 340,000              |
| Foreign currency at value                                     | 1,439,246            |                         |         | 1,439,246               |
| Cash pledged as collateral for financial futures contracts    | 459,000              |                         |         | 459,000                 |
| Cash pledged as collateral for reverse repurchase agreements  | 1,643,000            |                         |         | 1,643,000               |
| Cash pledged as collateral for swaps                          | 7,390,000            |                         |         | 7,390,000               |
| <b>Liabilities:</b>   |                      |                         |         |                         |
| Cash received as collateral for swaps                         |                      | \$ (1,200,000)          |         | (1,200,000)             |
| Cash received as collateral for reverse repurchase agreements |                      | (590,475)               |         | (590,475)               |
| Reverse repurchase agreements                                 |                      | (182,678,820)           |         | (182,678,820)           |
| <b>Total</b>  | <b>\$ 11,271,246</b> | <b>\$ (184,469,295)</b> |         | <b>\$ (173,198,049)</b> |

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2012.

Certain of the Trust's investments are categorized as Level 3 and were valued utilizing transaction prices or third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in the unobservable inputs could result in a significantly lower or higher value in such Level 3 investments.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock Core Bond Trust (BHK)

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

|   | Asset-Backed<br>Securities | Common<br>Stocks | Corporate<br>Bonds  | Non-Agency<br>Mortgage-Backed<br>Securities | Other<br>Interests | Preferred<br>Securities | Warrants  | Total               |
|---|----------------------------|------------------|---------------------|---|--------------------|-------------------------|-----------|---------------------|
| <b>Assets:</b>  |                            |                  |                     |   |                    |                         |           |                     |
| Opening balance, as of August 31, 2011                          | \$ 6,120,404               |                  | \$ 5,241,393        | \$ 1,960,958                                | \$ 191             | \$ 102,281              | \$ 77,670 | \$ 13,502,897       |
| Transfers into Level 3 <sup>1</sup>                             |                            | \$ 1,587         |                     |   |                    |                         |           | 1,587               |
| Transfers out of Level 3 <sup>2</sup>                           | (4,220,428)                |                  |                     | (352,670)                                   |                    |                         |           | (4,573,098)         |
| Accrued discounts/premiums                                      | (374,117)                  |                  | 190                 | 8,560                                       |                    |                         |           | (365,367)           |
| Net realized gain   | 19                         |                  | 17,863              | 45,558                                      |                    |                         |           | 63,440              |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 279,257                    | (1,586)          | (109,425)           | 25,814                                      | (191)              | (102,281)               | (77,670)  | 13,918              |
| Purchases   |                            |                  | 126,787             | 566,548                                     |                    |                         |           | 693,335             |
| Sales   | (299,820)                  |                  | (52,000)            | (1,743,311)                                 |                    |                         |           | (2,095,131)         |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 1,505,315</b>        | <b>\$ 1</b>      | <b>\$ 5,224,808</b> | <b>\$ 511,457</b>                           |                    |                         |           | <b>\$ 7,241,581</b> |

<sup>1</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$1,587 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$4,573,098 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$188,535.

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

|   | Credit<br>Contracts |
|---|---------------------|
| <b>Liabilities:</b>   |                     |
| Opening balance, as of August 31, 2011                          | \$ (941)            |
| Transfers into Level 3 <sup>4</sup>                             |                     |
| Transfers out of Level 3 <sup>4</sup>                           |                     |
| Accrued discounts/premiums                                      |                     |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>5</sup> | 941                 |
| Purchases   |                     |
| Issues <sup>6</sup>   |                     |
| Sales   |                     |
| Settlements <sup>7</sup>  |                     |
| <b>Closing Balance, as of August 31, 2012</b>                   |                     |

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- <sup>4</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.
- <sup>5</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$0.
- <sup>6</sup> Issues represent upfront cash received on certain derivative financial instruments.
- <sup>7</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Financial Statements.

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Consolidated Schedule of Investments August 31, 2012

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

| Common Stocks  | Shares      | Value      |
|--|-------------|------------|
| <b>Auto Components 2.1%</b>                              |             |            |
| Dana Holding Corp.                                       | 53,700      | \$ 733,542 |
| Delphi Automotive Plc (a)                                | 263,023     | 7,966,958  |
|  |             | 8,700,500  |
| <b>Biotechnology 0.0%</b>                                |             |            |
| Ironwood Pharmaceuticals, Inc. (a)                       | 10,590      | 132,693    |
| <b>Capital Markets 0.4%</b>                              |             |            |
| American Capital Ltd. (a)                                | 73,977      | 813,007    |
| E*Trade Financial Corp. (a)                              | 109,400     | 937,558    |
|  |             | 1,750,565  |
| <b>Chemicals 0.2%</b>                                    |             |            |
| ADA-ES, Inc. (a)   | 2,690       | 63,081     |
| CF Industries Holdings, Inc.                             | 1,530       | 316,725    |
| Huntsman Corp.   | 20,750      | 298,385    |
|  |             | 678,191    |
| <b>Commercial Banks 0.2%</b>                             |             |            |
| CIT Group, Inc. (a)                                      | 25,420      | 959,859    |
| <b>Communications Equipment 0.3%</b>                     |             |            |
| Loral Space & Communications Ltd.                        | 19,132      | 1,404,671  |
| <b>Diversified Financial Services 0.5%</b>               |             |            |
| Kcad Holdings I Ltd.                                     | 330,305,058 | 2,190,253  |
| <b>Diversified Telecommunication Services 0.2%</b>       |             |            |
| Level 3 Communications, Inc. (a)                         | 33,620      | 724,511    |
| <b>Electrical Equipment 0.0%</b>                         |             |            |
| Medis Technologies Ltd. (a)                              | 109,685     | 329        |
| <b>Energy Equipment &amp; Services 1.1%</b>              |             |            |
| Laricina Energy Ltd. (a)                                 | 70,588      | 3,043,358  |
| Osum Oil Sands Corp. (a)                                 | 120,000     | 1,521,684  |
|  |             | 4,565,042  |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |             |            |
| Travelport Worldwide Ltd. (a)(b)(c)                      | 113,632     | 14,772     |
| <b>Media 2.3%</b>  |             |            |
| Belo Corp., Class A                                      | 32,921      | 240,323    |
| Charter Communications, Inc. (a)                         | 108,248     | 8,421,694  |
| Clear Channel Outdoor Holdings, Inc., Class A            | 14,202      | 74,561     |
| Cumulus Media, Inc., Class A                             | 138,454     | 383,518    |
| DISH Network Corp., Class A                              | 8,770       | 280,552    |
|  |             | 9,400,648  |
| <b>Metals &amp; Mining 0.1%</b>                          |             |            |
| African Minerals Ltd. (a)                                | 65,551      | 262,341    |
| <b>Oil, Gas &amp; Consumable Fuels 0.1%</b>              |             |            |
| African Petroleum Corp. Ltd. (a)                         | 294,600     | 377,414    |
| <b>Paper &amp; Forest Products 0.2%</b>                  |             |            |
| Ainsworth Lumber Co. Ltd. (a)                            | 181,600     | 397,926    |
| Ainsworth Lumber Co. Ltd. (a)(d)                         | 208,741     | 457,398    |
| Western Forest Products, Inc. (a)                        | 74,889      | 81,290     |
| Western Forest Products, Inc. (a)                        | 74,936      | 81,341     |
|  |             | 1,017,955  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b> |             |            |
| NXP Semiconductors NV (a)                                | 8,000       | 186,560    |
| Spansion, Inc., Class A (a)                              | 94,583      | 1,081,084  |



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|   |        |            |
|---|--------|------------|
| SunPower Corp. (a)                        | 200    | 896        |
|   |        | 1,268,540  |
| <b>Software 0.2%</b>                      |        |            |
| Bankruptcy Management Solutions, Inc. (a) | 737    | 7          |
| HMH Holdings/EduMedia (a)                 | 30,127 | 738,103    |
|   |        | 738,110    |
| <b>Total Common Stocks 8.2%</b>           |        | 34,186,394 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Aerospace &amp; Defense 0.7%</b>   |              |            |
| Huntington Ingalls Industries, Inc.:  |              |            |
| 6.88%, 3/15/18  | USD 340      | \$ 363,800 |
| 7.13%, 3/15/21  | 480          | 519,600    |
| Kratos Defense & Security Solutions, Inc.,<br>10.00%, 6/01/17                   | 1,244        | 1,324,860  |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (d)                                | 590          | 533,860    |
|   |              | 2,742,120  |
| <b>Air Freight &amp; Logistics 0.4%</b>   |              |            |
| National Air Cargo Group, Inc.:   |              |            |
| Series 1, 12.38%, 9/02/15   | 884          | 900,201    |
| Series 2, 12.38%, 8/16/15   | 894          | 910,655    |
|   |              | 1,810,856  |
| <b>Airlines 1.5%</b>  |              |            |
| American Airlines Pass-Through Trust,<br>Series 2011-2, Class A, 8.63%, 4/15/23 | 1,614        | 1,710,740  |
| Continental Airlines, Inc., Class B:<br>Series 1997-4, 6.90%, 7/02/18           | 50           | 49,590     |
| Series 2010-1, 6.00%, 7/12/20   | 622          | 626,172    |
| Delta Air Lines, Inc.:  |              |            |
| Series 2002-1, Class G-1, 6.72%, 7/02/24  | 905          | 982,366    |
| Series 2009-1 Series B, 9.75%, 6/17/18  | 267          | 288,049    |
| Series 2010-1, Class B, 6.38%, 7/02/17  | 800          | 800,000    |
| US Airways Pass-Through Trust, Class C:<br>Series 2011-1, 10.88%, 10/22/14      | 1,004        | 1,028,672  |
| Series 2012-1, 9.13%, 10/01/15  | 670          | 683,400    |
|   |              | 6,168,989  |
| <b>Auto Components 2.1%</b>   |              |            |
| Dana Holding Corp., 6.75%, 2/15/21  | 660          | 711,150    |
| Delphi Corp., 6.13%, 5/15/21  | 260          | 286,000    |
| Icahn Enterprises LP, 8.00%, 1/15/18  | 4,815        | 5,127,975  |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (d)   | 585          | 612,056    |
| International Automotive Components Group SL,<br>9.13%, 6/01/18 (d)             | 70           | 67,113     |
| Jaguar Land Rover Plc, 8.25%, 3/15/20   | GBP 712      | 1,192,459  |
| Titan International, Inc., 7.88%, 10/01/17                                      | USD 685      | 717,537    |
|   |              | 8,714,290  |
| <b>Beverages 0.2%</b>   |              |            |
| Crown European Holdings SA:   |              |            |
| 7.13%, 8/15/18  | EUR 242      | 334,826    |
| 7.13%, 8/15/18 (d)  | 285          | 394,320    |
| Refresco Group BV, 7.38%, 5/15/18   | 107          | 126,510    |
|   |              | 855,656    |
| <b>Biotechnology 0.0%</b>   |              |            |
| QHP Royalty Sub LLC, 10.25%, 3/15/15 (d)  | USD 80       | 79,676     |
| <b>Building Products 0.8%</b>   |              |            |
| Building Materials Corp. of America (d):  |              |            |
| 7.00%, 2/15/20  | 810          | 876,825    |
| 6.75%, 5/01/21  | 1,170        | 1,278,225  |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                      | 555          | 338,550    |

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|   |       |           |
|---|-------|-----------|
| USG Corp., 9.75%, 1/15/18                     | 890   | 954,525   |
|   |       | 3,448,125 |
| <b>Capital Markets 0.8%</b>                   |       |           |
| E*Trade Financial Corp.:                      |       |           |
| 12.50%, 11/30/17 (c)                          | 1,575 | 1,797,469 |
| 2.26%, 8/31/19 (d)(e)(f)                      | 356   | 304,380   |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (d) | 970   | 1,097,992 |
|   |       | 3,199,841 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>                                  |     |              |            |
| <b>Chemicals 4.1%</b>                                   |     |              |            |
| Basell Finance Co. BV, 8.10%, 3/15/27 (d)               | USD | 610          | \$ 814,350 |
| Celanese US Holdings LLC, 5.88%, 6/15/21                |     | 2,640        | 2,917,200  |
| Chemtura Corp., 7.88%, 9/01/18                          |     | 455          | 490,263    |
| Hexion US Finance Corp.:                                |     |              |            |
| 6.63%, 4/15/20 (a)                                      |     | 355          | 358,550    |
| 9.00%, 11/15/20   |     | 460          | 393,300    |
| Huntsman International LLC, 8.63%, 3/15/21              |     | 250          | 286,250    |
| INEOS Finance Plc (d):                                  |     |              |            |
| 8.38%, 2/15/19  |     | 1,265        | 1,331,412  |
| 7.50%, 5/01/20  |     | 650          | 663,000    |
| INEOS Group Holdings Plc, 8.50%, 2/15/16 (d)            |     | 220          | 207,350    |
| Kinove German Bondco GmbH, 10.00%, 6/15/18              | EUR | 505          | 692,219    |
| Kraton Polymers LLC, 6.75%, 3/01/19                     | USD | 185          | 189,625    |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (a)        |     | 4,180        | 4,733,850  |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (d)                 |     | 275          | 268,813    |
| PolyOne Corp., 7.38%, 9/15/20                           |     | 320          | 349,600    |
| TPC Group LLC, 8.25%, 10/01/17                          |     | 495          | 543,262    |
| Tronox Finance LLC, 6.38%, 8/15/20 (d)                  |     | 2,800        | 2,828,000  |
|   |     |              | 17,067,044 |
| <b>Commercial Banks 0.9%</b>                            |     |              |            |
| CIT Group, Inc.:  |     |              |            |
| 7.00%, 5/02/16 (d)                                      |     | 567          | 568,472    |
| 5.25%, 3/15/18  |     | 830          | 865,275    |
| 5.50%, 2/15/19 (d)                                      |     | 790          | 823,575    |
| 5.00%, 8/15/22  |     | 860          | 866,515    |
| 6.00%, 4/01/36  |     | 810          | 733,722    |
| Glitnir Banki HF, 6.38%, 9/25/12 (a)(d)(g)              |     | 1,005        | 3,857,559  |
|   |     |              | 3,857,559  |
| <b>Commercial Services &amp; Supplies 2.0%</b>          |     |              |            |
| ARAMARK Corp., 8.50%, 2/01/15                           |     | 530          | 543,255    |
| ARAMARK Holdings Corp., 8.63%, 5/01/16 (c)(d)           |     | 650          | 665,444    |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (d)        |     | 800          | 821,400    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (d)         |     | 236          | 249,250    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (d)      |     | 38           | 38,380     |
| Casella Waste Systems, Inc., 7.75%, 2/15/19             |     | 689          | 682,110    |
| Clean Harbors, Inc., 5.25%, 8/01/20 (d)                 |     | 780          | 800,475    |
| Covanta Holding Corp., 6.38%, 10/01/22                  |     | 940          | 1,027,770  |
| EC Finance Plc, 9.75%, 8/01/17                          | EUR | 440          | 573,494    |
| Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (d) | USD | 325          | 343,688    |
| Mobile Mini, Inc., 7.88%, 12/01/20                      |     | 545          | 584,513    |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21              |     | 1,287        | 1,409,265  |
| Verisure Holding AB:                                    |     |              |            |
| 8.75%, 9/01/18  | EUR | 274          | 344,637    |
| 8.75%, 12/01/18   |     | 134          | 149,162    |
| West Corp., 8.63%, 10/01/18                             | USD | 205          | 208,075    |
|   |     |              | 8,440,918  |
| <b>Communications Equipment 1.8%</b>                    |     |              |            |
| Avaya, Inc., 9.75%, 11/01/15                            |     | 1,110        | 962,925    |
| Frontier Communications Corp., 6.25%, 1/15/13           |     | 1,330        | 1,353,275  |

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|  |       |           |
|--|-------|-----------|
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 590   | 632,037   |
| Zayo Group LLC/Zayo Capital, Inc.:             |       |           |
| 8.13%, 1/01/20                                 | 2,280 | 2,422,500 |
| 10.13%, 7/01/20                                | 1,880 | 2,016,300 |
|  |       | 7,387,037 |
| <b>Computers &amp; Peripherals 0.1%</b>        |       |           |
| SanDisk Corp., 1.50%, 8/15/17 (e)              | 330   | 365,475   |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Construction &amp; Engineering 0.2%</b>                       |              |            |
| Boart Longyear Management Property Ltd., 7.00%,<br>4/01/21 (d)   | USD 275      | \$ 285,313 |
| H&E Equipment Services, Inc., 7.00%, 9/01/22 (d)                 | 490          | 508,375    |
| URS Corp., 5.00%, 4/01/22 (d)                                    | 105          | 106,469    |
|  |              | 900,157    |
| <b>Construction Materials 1.4%</b>                               |              |            |
| HD Supply, Inc. (d):   |              |            |
| 8.13%, 4/15/19   | 2,280        | 2,473,800  |
| 11.00%, 4/15/20  | 2,160        | 2,376,000  |
| Xefin Lux SCA:   |              |            |
| 8.00%, 6/01/18 (d)   | EUR 376      | 461,109    |
| 8.00%, 6/01/18   | 315          | 386,302    |
|  |              | 5,697,211  |
| <b>Consumer Finance 0.2%</b>                                     |              |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                          | USD 660      | 726,000    |
| Springleaf Finance (FKA AGFS Funding Co.),<br>6.90%, 12/15/17    | 155          | 127,487    |
|  |              | 853,487    |
| <b>Containers &amp; Packaging 1.6%</b>                           |              |            |
| Ardagh Packaging Finance Plc:                                    |              |            |
| 7.38%, 10/15/17 (d)  | EUR 600      | 798,074    |
| 7.38%, 10/15/17  | 100          | 133,012    |
| 7.38%, 10/15/17 (d)  | USD 200      | 214,250    |
| 7.38%, 10/15/17  | EUR 200      | 266,025    |
| 9.13%, 10/15/20 (d)  | USD 590      | 613,600    |
| 9.13%, 10/15/20 (d)  | 210          | 219,450    |
| 9.13%, 10/15/20 (d)  | 249          | 259,582    |
| Berry Plastics Corp.:  |              |            |
| 4.34%, 9/15/14 (b)   | 445          | 438,325    |
| 8.25%, 11/15/15  | 175          | 184,188    |
| 9.75%, 1/15/21   | 610          | 675,575    |
| Beverage Packaging Holdings Luxembourg II SA,<br>8.00%, 12/15/16 | EUR 867      | 1,068,702  |
| GCL Holdings SCA, 9.38%, 4/15/18 (d)                             | 394          | 480,706    |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18        | USD 550      | 613,250    |
| OI European Group BV, 6.88%, 3/31/17                             | EUR 233      | 302,592    |
| Sealed Air Corp., 8.38%, 9/15/21 (d)                             | USD 275      | 309,375    |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (d)                             | 265          | 276,925    |
|  |              | 6,853,631  |
| <b>Distributors 0.6%</b>   |              |            |
| VWR Funding, Inc., 7.25%, 9/15/17 (d)(h)                         | 2,390        | 2,419,875  |
| <b>Diversified Consumer Services 1.5%</b>                        |              |            |
| Laureate Education, Inc., 9.25%, 9/01/19 (d)                     | 895          | 895,000    |
| Service Corp. International, 7.00%, 6/15/17                      | 4,425        | 5,044,500  |
| ServiceMaster Co., 8.00%, 2/15/20                                | 280          | 298,550    |
|  |              | 6,238,050  |
| <b>Diversified Financial Services 4.4%</b>                       |              |            |
| Aircastle Ltd., 6.75%, 4/15/17                                   | 690          | 745,200    |
| Ally Financial, Inc.:  |              |            |

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|  |     |       |           |
|--|-----|-------|-----------|
| 7.50%, 12/31/13                                    |     | 460   | 491,625   |
| 8.00%, 11/01/31                                    |     | 4,395 | 5,197,087 |
| 8.00%, 11/01/31                                    |     | 920   | 1,092,034 |
| CNG Holdings, Inc., 9.38%, 5/15/20 (d)             |     | 450   | 459,000   |
| DPL, Inc., 7.25%, 10/15/21 (d)                     |     | 1,725 | 1,966,500 |
| Gala Group Finance Plc, 8.88%, 9/01/18             | GBP | 300   | 444,201   |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | USD | 460   | 510,022   |
| Lehman Brothers Holdings, Inc. (a)(g):             |     |       |           |
| 5.38%, 10/17/12                                    | EUR | 200   | 64,148    |
| 1.00%, 5/17/13                                     | USD | 915   | 225,319   |
| 4.75%, 1/16/14                                     | EUR | 1,130 | 362,435   |
| 1.00%, 2/05/14                                     |     | 2,350 | 764,082   |
| 1.00%, 9/22/18                                     | USD | 255   | 62,794    |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Diversified Financial Services (concluded)</b>                   |     |              |              |
| Leucadia National Corp., 8.13%, 9/15/15                             | USD | 1,148        | \$ 1,294,370 |
| Reynolds Group Issuer, Inc.:  |     |              |              |
| 7.75%, 10/15/16   | EUR | 255          | 331,163      |
| 7.13%, 4/15/19  | USD | 365          | 393,288      |
| 9.75%, 4/15/19 (d)  |     | 400          | 406,500      |
| 7.88%, 8/15/19 (d)  |     | 585          | 650,812      |
| 9.88%, 8/15/19 (d)  |     | 1,600        | 1,692,000    |
| 8.25%, 2/15/21 (d)  |     | 195          | 191,588      |
| WMG Acquisition Corp.:  |     |              |              |
| 9.50%, 6/15/16 (d)  |     | 180          | 196,650      |
| 11.50%, 10/01/18  |     | 618          | 678,255      |
|   |     |              | 18,219,073   |
| <b>Diversified Telecommunication Services 2.3%</b>                  |     |              |              |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 (a)(g)        |     |              |              |
|   |     | 1,530        | 1,032,750    |
| Consolidated Communications Finance Co.,<br>10.88%, 6/01/20 (d)     |     |              |              |
|   |     | 885          | 949,163      |
| ITC Deltacom, Inc., 10.50%, 4/01/16                                 |     |              |              |
|   |     | 420          | 452,550      |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (d)                    |     |              |              |
|   |     | 475          | 484,500      |
| Level 3 Financing, Inc.:  |     |              |              |
| 8.13%, 7/01/19  |     | 1,956        | 2,048,910    |
| 7.00%, 6/01/20 (d)  |     | 849          | 844,755      |
| 8.63%, 7/15/20 (a)  |     | 1,260        | 1,348,200    |
| OTE Plc, 5.00%, 8/05/13   | EUR | 160          | 174,426      |
| Telefonica Emisiones SAU, 4.69%, 11/11/19                           |     | 50           | 58,042       |
| Telenet Finance V Luxembourg SCA:                                   |     |              |              |
| 6.25%, 8/15/22  |     | 221          | 279,364      |
| 6.75%, 8/15/24  |     | 520          | 663,867      |
| Windstream Corp.:   |     |              |              |
| 8.13%, 8/01/13  | USD | 510          | 538,050      |
| 7.88%, 11/01/17   |     | 630          | 685,125      |
|   |     |              | 9,559,702    |
| <b>Electric Utilities 0.7%</b>                                      |     |              |              |
| Mirant Mid Atlantic Pass-Through Trust, Series B,<br>9.13%, 6/30/17 |     |              |              |
|   |     | 433          | 465,354      |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14                  |     |              |              |
|   | EUR | 1,800        | 2,253,399    |
|   |     |              | 2,718,753    |
| <b>Electrical Equipment 0.1%</b>                                    |     |              |              |
| Belden, Inc., 5.50%, 9/01/22 (d)                                    |     |              |              |
|   | USD | 550          | 551,375      |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.5%</b>  |     |              |              |
| CDW LLC/CDW Finance Corp., 8.50%, 4/01/19                           |     |              |              |
|   |     | 559          | 612,105      |
| Jabil Circuit, Inc., 8.25%, 3/15/18                                 |     |              |              |
|   |     | 350          | 420,000      |
| Micron Technology, Inc., 2.38%, 5/01/32 (d)(e)                      |     |              |              |
|   |     | 651          | 619,264      |
| NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (d)                          |     |              |              |
|   |     | 300          | 342,750      |
|   |     |              | 1,994,119    |
| <b>Energy Equipment &amp; Services 3.4%</b>                         |     |              |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                               |     |              |              |
|   |     | 205          | 218,838      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (d)                            |     |              |              |
|   |     | 585          | 573,300      |
| Compagnie Générale de Géophysique, Veritas:                         |     |              |              |

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|   |       |           |
|---|-------|-----------|
| 7.75%, 5/15/17                                      | 365   | 381,425   |
| 6.50%, 6/01/21                                      | 1,855 | 1,931,519 |
| Forbes Energy Services Ltd., 9.00%, 6/15/19         | 540   | 523,800   |
| FTS International Services Inc, 8.13%, 11/15/18 (d) | 2,595 | 2,679,337 |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 (d)         | 230   | 234,600   |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20    | 465   | 474,300   |
| Key Energy Services, Inc., 6.75%, 3/01/21           | 665   | 676,637   |
| MEG Energy Corp. (d):                               |       |           |
| 6.50%, 3/15/21                                      | 1,790 | 1,883,975 |
| 6.38%, 1/30/23                                      | 670   | 698,475   |
| Oil States International, Inc., 6.50%, 6/01/19      | 470   | 499,375   |

| Corporate Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Energy Equipment &amp; Services (concluded)</b>                |              |              |
| Peabody Energy Corp.:   |              |              |
| 6.25%, 11/15/21 (d)   | USD 2,060    | \$ 2,096,050 |
| 7.88%, 11/01/26   | 555          | 592,463      |
| Precision Drilling Corp.:   |              |              |
| 6.63%, 11/15/20   | 115          | 120,750      |
| 6.50%, 12/15/21   | 440          | 462,000      |
|   |              | 14,046,844   |
| <b>Food &amp; Staples Retailing 0.2%</b>                          |              |              |
| Bakkavor Finance 2 Plc, 8.25%, 2/15/18                            | GBP 311      | 434,563      |
| Rite Aid Corp., 9.25%, 3/15/20                                    | USD 555      | 570,263      |
|   |              | 1,004,826    |
| <b>Food Products 0.4%</b>   |              |              |
| Darling International, Inc., 8.50%, 12/15/18                      | 170          | 192,525      |
| Del Monte Corp., 7.63%, 2/15/19                                   | 90           | 89,888       |
| Post Holdings, Inc., 7.38%, 2/15/22 (d)                           | 640          | 674,400      |
| Smithfield Foods, Inc., 6.63%, 8/15/22                            | 867          | 887,591      |
|   |              | 1,844,404    |
| <b>Health Care Equipment &amp; Supplies 1.5%</b>                  |              |              |
| Biomet, Inc. (d):   |              |              |
| 10.00%, 10/15/17  | 285          | 301,566      |
| 6.50%, 8/01/20  | 1,042        | 1,081,075    |
| DJO Finance LLC:  |              |              |
| 10.88%, 11/15/14  | 766          | 799,512      |
| 8.75%, 3/15/18 (d)  | 665          | 706,563      |
| 7.75%, 4/15/18  | 155          | 141,825      |
| Fresenius Medical Care US Finance II, Inc., 5.88%,<br>1/31/22 (d) | 965          | 1,025,312    |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (d)    | 308          | 345,345      |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (d)                 | 800          | 921,000      |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%,<br>11/01/19 (d)     | 430          | 390,225      |
| Teleflex, Inc., 6.88%, 6/01/19                                    | 435          | 465,450      |
|   |              | 6,177,873    |
| <b>Health Care Providers &amp; Services 7.4%</b>                  |              |              |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                     | 845          | 878,800      |
| CHS/Community Health Systems, Inc.:                               |              |              |
| 5.13%, 8/15/18  | 1,180        | 1,216,875    |
| 7.13%, 7/15/20  | 669          | 700,777      |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (d)                     | EUR 694      | 934,017      |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (d)                             | GBP 547      | 875,069      |
| DaVita, Inc., 5.75%, 8/15/22                                      | USD 1,369    | 1,423,760    |
| HCA, Inc.:  |              |              |
| 8.50%, 4/15/19  | 200          | 225,500      |
| 6.50%, 2/15/20  | 3,480        | 3,823,650    |
| 7.88%, 2/15/20  | 135          | 150,694      |

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|   |       |            |
|---|-------|------------|
| 7.25%, 9/15/20  | 3,840 | 4,255,200  |
| 5.88%, 3/15/22  | 405   | 430,819    |
| Hologic, Inc., 6.25%, 8/01/20 (d)                                   | 2,366 | 2,505,002  |
| IASIS Healthcare LLC, 8.38%, 5/15/19                                | 2,299 | 2,192,671  |
| INC Research LLC, 11.50%, 7/15/19 (d)                               | 605   | 592,900    |
| inVentiv Health, Inc., 10.00%, 8/15/18 (d)                          | 195   | 164,288    |
| Omnicare, Inc., 7.75%, 6/01/20                                      | 1,460 | 1,609,650  |
| PSS World Medical, Inc., 6.38%, 3/01/22                             | 494   | 522,405    |
| Symbion, Inc., 8.00%, 6/15/16                                       | 510   | 515,419    |
| Tenet Healthcare Corp.:   |       |            |
| 10.00%, 5/01/18   | 1,042 | 1,198,300  |
| 6.25%, 11/01/18   | 485   | 526,528    |
| 8.88%, 7/01/19  | 4,505 | 5,124,437  |
| United Surgical Partners International, Inc., 9.00%,<br>4/01/20 (d) | 430   | 461,713    |
| Vanguard Health Holding Co. II LLC, 7.75%,<br>2/01/19 (d)           | 685   | 714,112    |
|   |       | 31,042,586 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>   |     |              |              |
| <b>Health Care Technology 1.0%</b>                                       |     |              |              |
| IMS Health, Inc., 12.50%, 3/01/18 (d)                                    | USD | 3,550        | \$ 4,171,250 |
| <b>Hotels, Restaurants &amp; Leisure 4.5%</b>                            |     |              |              |
| Affinity Gaming LLC/Affinity Gaming Finance Corp.,<br>9.00%, 5/15/18 (d) |     | 425          | 432,438      |
| Caesars Entertainment Operating Co., Inc.:                               |     |              |              |
| 11.25%, 6/01/17  |     | 2,115        | 2,278,912    |
| 10.00%, 12/15/18   |     | 3,962        | 2,496,060    |
| 8.50%, 2/15/20 (d)   |     | 455          | 448,744      |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (d)                         |     | 2,472        | 2,459,640    |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (d)                                  |     | 485          | 504,400      |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                              | EUR | 305          | 336,634      |
| Diamond Resorts Corp., 12.00%, 8/15/18                                   | USD | 1,770        | 1,882,838    |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (d)                                |     | 200          | 195,000      |
| Enterprise Inns Plc, 6.50%, 12/06/18                                     | GBP | 477          | 655,155      |
| Gategroup Finance Luxembourg SA, 6.75%,<br>3/01/19                       | EUR | 345          | 443,705      |
| Little Traverse Bay Bands of Odawa Indians,<br>9.00%, 8/31/20 (d)        | USD | 433          | 394,030      |
| MGM Resorts International:   |     |              |              |
| 10.38%, 5/15/14  |     | 295          | 334,825      |
| 4.25%, 4/15/15 (e)   |     | 1,600        | 1,616,000    |
| 11.13%, 11/15/17   |     | 2,085        | 2,319,562    |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (c)                              |     | 221          | 227,180      |
| Travelport LLC:  |     |              |              |
| 5.05%, 9/01/14 (b)   |     | 245          | 173,950      |
| 9.88%, 9/01/14   |     | 55           | 43,725       |
| 9.00%, 3/01/16   |     | 180          | 127,800      |
| 6.46%, 12/01/16 (b)(c)(d)  |     | 619          | 478,188      |
| Tropicana Entertainment LLC, 9.63%,<br>12/15/14 (a)(g)                   |     | 475          |              |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 (d)                                   |     | 910          | 930,475      |
|  |     |              | 18,779,261   |
| <b>Household Durables 1.8%</b>   |     |              |              |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (d)                               |     | 55           | 56,238       |
| Jarden Corp., 7.50%, 1/15/20   | EUR | 447          | 605,810      |
| Libbey Glass, Inc., 6.88%, 5/15/20 (d)                                   | USD | 905          | 964,956      |
| Pulte Group, Inc., 6.38%, 5/15/33  |     | 280          | 243,600      |
| Ryland Group, Inc., 6.63%, 5/01/20                                       |     | 500          | 527,500      |
| Spie BondCo 3 SCA, 11.00%, 8/15/19                                       | EUR | 446          | 569,393      |
| Standard Pacific Corp.:  |     |              |              |
| 10.75%, 9/15/16  | USD | 2,210        | 2,668,575    |
| 8.38%, 1/15/21   |     | 1,575        | 1,756,125    |
|  |     |              | 7,392,197    |
| <b>Household Products 0.5%</b>   |     |              |              |
| Ontex IV SA:   |     |              |              |
| 7.50%, 4/15/18   | EUR | 105          | 134,050      |
| 7.50%, 4/15/18 (d)   |     | 220          | 280,867      |
| 9.00%, 4/15/19   |     | 213          | 246,478      |
| Spectrum Brands Holdings, Inc.:  |     |              |              |
| 9.50%, 6/15/18 (d)   | USD | 865          | 987,181      |

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|   |              |              |
|---|--------------|--------------|
| 9.50%, 6/15/18  | 530          | 604,863      |
|   |              | 2,253,439    |
| <b>Independent Power Producers &amp; Energy Traders 2.9%</b>        |              |              |
| The AES Corp., 7.38%, 7/01/21                                       | 405          | 463,725      |
| Calpine Corp. (d):  |              |              |
| 7.25%, 10/15/17   | 265          | 283,550      |
| 7.50%, 2/15/21  | 150          | 166,500      |
| 7.88%, 1/15/23  | 655          | 740,150      |
| Energy Future Holdings Corp., 10.00%, 1/15/20                       | 2,790        | 3,075,975    |
|   |              |              |
|   | <b>Par</b>   | <b>Value</b> |
|   | <b>(000)</b> |              |
| <b>Corporate Bonds</b>  |              |              |
| <b>Independent Power Producers &amp; Energy Traders (concluded)</b> |              |              |
| Energy Future Intermediate Holding Co. LLC:                         |              |              |
| 6.88%, 8/15/17 (d)  | USD 450      | \$ 459,563   |
| 10.00%, 12/01/20  | 3,777        | 4,239,682    |
| 11.75%, 3/01/22 (d)   | 518          | 551,670      |
| GenOn REMA LLC, 9.24%, 7/02/17                                      | 357          | 383,853      |
| Laredo Petroleum, Inc.:   |              |              |
| 9.50%, 2/15/19  | 730          | 828,550      |
| 7.38%, 5/01/22  | 550          | 591,250      |
| QEP Resources, Inc., 5.38%, 10/01/22                                | 488          | 500,200      |
|   |              | 12,284,668   |
| <b>Industrial Conglomerates 2.4%</b>                                |              |              |
| Sequa Corp. (d):  |              |              |
| 11.75%, 12/01/15  | 3,550        | 3,727,500    |
| 13.50%, 12/01/15  | 5,797        | 6,144,584    |
|   |              | 9,872,084    |
| <b>Insurance 1.0%</b>   |              |              |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (d)(h)                    | 2,500        | 2,584,375    |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (d)                       | 543          | 593,906      |
| Genworth Financial, Inc., 7.63%, 9/24/21                            | 630          | 643,734      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (d)                   | 375          | 335,625      |
|   |              | 4,157,640    |
| <b>IT Services 3.1%</b>   |              |              |
| Ceridian Corp., 8.88%, 7/15/19 (d)                                  | 2,185        | 2,343,413    |
| Epicor Software Corp., 8.63%, 5/01/19                               | 820          | 844,600      |
| First Data Corp.:   |              |              |
| 7.38%, 6/15/19 (d)  | 2,315        | 2,390,237    |
| 8.88%, 8/15/20 (d)  | 795          | 866,550      |
| 6.75%, 11/01/20 (d)   | 1,310        | 1,300,175    |
| 8.25%, 1/15/21 (d)  | 890          | 882,213      |
| 12.63%, 1/15/21   | 2,415        | 2,445,187    |
| SunGard Data Systems, Inc.:   |              |              |
| 7.38%, 11/15/18   | 810          | 860,625      |
| 7.63%, 11/15/20   | 880          | 943,800      |
|   |              | 12,876,800   |
| <b>Machinery 1.2%</b>   |              |              |
| SPX Corp., 6.88%, 9/01/17   | 260          | 288,600      |
| UR Financing Escrow Corp., 5.75%, 7/15/18 (d)                       | 379          | 400,792      |
| UR Merger Sub Corp. (d):  |              |              |
| 7.38%, 5/15/20  | 655          | 694,300      |
| 7.63%, 4/15/22  | 3,206        | 3,462,480    |
|   |              | 4,846,172    |
| <b>Media 12.9%</b>  |              |              |
| Affinion Group, Inc., 7.88%, 12/15/18                               | 1,200        | 858,000      |
| AMC Networks, Inc., 7.75%, 7/15/21                                  | 330          | 373,725      |
| CCO Holdings LLC:   |              |              |
| 6.50%, 4/30/21  | 744          | 797,940      |

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|   |       |           |
|---|-------|-----------|
| 5.25%, 9/30/22  | 1,450 | 1,435,500 |
| Cengage Learning Acquisitions, Inc., 11.50%,<br>4/15/20 (d) | 1,850 | 1,947,125 |
| Checkout Holding Corp., 16.00%, 11/15/15 (d)(f)             | 995   | 606,950   |
| Cinemark USA, Inc., 8.63%, 6/15/19                          | 375   | 420,000   |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21       | 658   | 564,235   |
| Clear Channel Worldwide Holdings, Inc.:                     |       |           |
| Series A, 9.25%, 12/15/17                                   | 2,201 | 2,382,583 |
| Series B, 9.25%, 12/15/17                                   | 7,938 | 8,622,652 |
| Series B, 7.63%, 3/15/20                                    | 2,411 | 2,338,670 |
| Cox Enterprises, Inc.:                                      |       |           |
| Loan Close 2, 4.00%, 8/15/18                                | 1,048 | 1,049,133 |
| Loan Close 3, 4.00%, 8/15/18                                | 1,198 | 1,199,461 |
| Shares Loan, 4.00%, 8/15/18                                 | 1,236 | 1,237,066 |
| CSC Holdings LLC, 8.50%, 4/15/14                            | 580   | 637,275   |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Media (concluded)</b>  |     |              |              |
| DISH DBS Corp., 5.88%, 7/15/22 (d)  | USD | 1,710        | \$ 1,722,825 |
| Harron Communications LP, 9.13%, 4/01/20 (d)                                |     | 470          | 508,775      |
| Intelsat Jackson Holdings SA:   |     |              |              |
| 11.25%, 6/15/16   |     | 1,302        | 1,370,355    |
| 7.25%, 10/15/20 (d)   |     | 1,210        | 1,303,775    |
| Intelsat Luxembourg SA:   |     |              |              |
| 11.25%, 2/04/17   |     | 910          | 955,500      |
| 11.50%, 2/04/17 (c)   |     | 1,765        | 1,853,250    |
| Interactive Data Corp., 10.25%, 8/01/18                                     |     | 1,990        | 2,243,725    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     |     | 500          | 558,750      |
| Kabel Deutschland Vertrieb und Service GmbH &<br>Co. KG, 6.50%, 6/29/18 (d) | EUR | 505          | 684,416      |
| Lamar Media Corp., 5.88%, 2/01/22   | USD | 210          | 222,600      |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (d)                         |     | 1,130        | 1,209,100    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (d)                      |     | 743          | 828,445      |
| Nielsen Finance LLC:  |     |              |              |
| 11.63%, 2/01/14   |     | 91           | 103,285      |
| 7.75%, 10/15/18   |     | 3,340        | 3,757,500    |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (d)                                   | GBP | 308          | 485,390      |
| ProQuest LLC, 9.00%, 10/15/18 (d)   | USD | 745          | 683,538      |
| Truven Health Analytics, Inc., 10.63%, 6/01/20 (d)                          |     | 760          | 811,300      |
| Unitymedia GmbH:  |     |              |              |
| 9.63%, 12/01/19   | EUR | 235          | 332,161      |
| 9.63%, 12/01/19 (d)   |     | 845          | 1,194,368    |
| 9.50%, 3/15/21  |     | 518          | 743,570      |
| Unitymedia Hessen GmbH & Co. KG:  |     |              |              |
| 8.13%, 12/01/17 (d)   | USD | 1,382        | 1,496,015    |
| 8.13%, 12/01/17 (d)   | EUR | 180          | 244,233      |
| 7.50%, 3/15/19  |     | 1,249        | 1,720,236    |
| UPC Holding BV, 9.88%, 4/15/18 (d)  | USD | 640          | 718,400      |
| UPCB Finance II Ltd.:   |     |              |              |
| 6.38%, 7/01/20  | EUR | 514          | 675,602      |
| 6.38%, 7/01/20 (d)  |     | 1,218        | 1,600,940    |
| WaveDivision Escrow LLC/WaveDivision Escrow<br>Corp., 8.13%, 9/01/20 (d)    | USD | 445          | 458,350      |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (d)                                       | EUR | 583          | 804,794      |
| Ziggo Finance BV, 6.13%, 11/15/17 (d)                                       |     | 102          | 136,956      |
|   |     |              | 53,898,469   |
| <b>Metals &amp; Mining 3.7%</b>   |     |              |              |
| Eco-Bat Finance Plc, 7.75%, 2/15/17   |     | 585          | 743,171      |
| FMG Resources August 2006 Property Ltd. (d):                                |     |              |              |
| 6.88%, 2/01/18  | USD | 520          | 495,300      |
| 6.88%, 4/01/22  |     | 270          | 248,400      |
| Global Brass and Copper, Inc., 9.50%, 6/01/19 (d)                           |     | 445          | 468,363      |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)  |     | 1,575        | 1,815,187    |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 (d)                                   |     | 330          | 349,800      |
| New Gold, Inc., 7.00%, 4/15/20 (d)  |     | 225          | 236,813      |
| New World Resources NV, 7.88%, 5/01/18                                      | EUR | 990          | 1,238,996    |

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|   |     |       |            |
|---|-----|-------|------------|
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (e) | USD | 2,170 | 2,758,612  |
| Novelis, Inc., 8.75%, 12/15/20                        |     | 4,920 | 5,498,100  |
| Schmolz + Bickenbach Luxembourg SA, 9.88%,<br>5/15/19 | EUR | 364   | 369,705    |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (d)              | USD | 355   | 367,425    |
| Taseko Mines Ltd., 7.75%, 4/15/19                     |     | 605   | 576,263    |
| Vedanta Resources Plc, 8.25%, 6/07/21 (d)             |     | 415   | 396,325    |
|   |     |       | 15,562,460 |

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Multiline Retail 0.3%</b>   |     |              |              |
| Dollar General Corp., 4.13%, 7/15/17 (b)                               | USD | 1,169        | \$ 1,215,760 |
| <b>Oil, Gas &amp; Consumable Fuels 10.8%</b>                           |     |              |              |
| Access Midstream Partners LP, 6.13%, 7/15/22                           |     | 405          | 420,187      |
| Alpha Appalachia Holdings, Inc., 3.25%,<br>8/01/15 (e)                 |     | 1,222        | 1,096,745    |
| Alpha Natural Resources, Inc.:   |     |              |              |
| 6.00%, 6/01/19   |     | 470          | 423,000      |
| 6.25%, 6/01/21   |     | 385          | 344,575      |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (d)                         |     | 990          | 1,034,550    |
| Berry Petroleum Co., 6.38%, 9/15/22                                    |     | 605          | 644,325      |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (d)                       |     | 375          | 382,500      |
| CCS, Inc., 11.00%, 11/15/15 (d)  |     | 840          | 869,400      |
| Chaparral Energy, Inc., 7.63%, 11/15/22 (d)                            |     | 325          | 343,688      |
| Chesapeake Energy Corp.:   |     |              |              |
| 7.25%, 12/15/18  |     | 25           | 26,188       |
| 6.63%, 8/15/20   |     | 260          | 267,150      |
| 6.88%, 11/15/20  |     | 260          | 269,750      |
| 6.13%, 2/15/21   |     | 885          | 878,362      |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (d)                          |     | 172          | 183,180      |
| Concho Resources, Inc.:  |     |              |              |
| 7.00%, 1/15/21   |     | 245          | 273,175      |
| 6.50%, 1/15/22   |     | 160          | 172,800      |
| 5.50%, 10/01/22  |     | 700          | 722,750      |
| Consol Energy, Inc., 8.25%, 4/01/20                                    |     | 2,595        | 2,796,112    |
| Continental Resources, Inc., 7.13%, 4/01/21                            |     | 545          | 610,400      |
| Copano Energy LLC, 7.13%, 4/01/21                                      |     | 445          | 465,025      |
| Crosstex Energy LP:  |     |              |              |
| 8.88%, 2/15/18   |     | 265          | 282,888      |
| 7.13%, 6/01/22 (d)   |     | 225          | 223,875      |
| Crown Oil Partners IV LP, 15.00%, 3/07/15                              |     | 886          | 886,408      |
| Denbury Resources, Inc., 8.25%, 2/15/20                                |     | 65           | 73,775       |
| Energy XXI Gulf Coast, Inc.:   |     |              |              |
| 9.25%, 12/15/17  |     | 825          | 919,875      |
| 7.75%, 6/15/19   |     | 1,330        | 1,413,125    |
| EP Energy LLC/EP Energy Finance, Inc., 6.88%,<br>5/01/19 (d)           |     | 510          | 546,975      |
| EP Energy LLC/Everest Acquisition Finance, Inc.,<br>7.75%, 9/01/22 (d) |     | 315          | 315,788      |
| EV Energy Partners LP, 8.00%, 4/15/19                                  |     | 215          | 221,988      |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (d)                                |     | 1,115        | 1,226,500    |
| Holly Energy Partners LP, 6.50%, 3/01/20 (d)                           |     | 230          | 240,350      |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (d)                            |     | 510          | 541,875      |
| Linn Energy LLC:   |     |              |              |
| 6.50%, 5/15/19 (d)   |     | 145          | 144,275      |
| 6.25%, 11/01/19 (d)  |     | 3,010        | 2,972,375    |
| 8.63%, 4/15/20   |     | 330          | 356,400      |
| 7.75%, 2/01/21   |     | 305          | 317,963      |
| MarkWest Energy Partners LP:   |     |              |              |

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|   |       |           |
|---|-------|-----------|
| 6.25%, 6/15/22                                  | 120   | 127,500   |
| 5.50%, 2/15/23                                  | 350   | 357,875   |
| Newfield Exploration Co., 6.88%, 2/01/20        | 1,150 | 1,256,375 |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 (d)  | 460   | 469,200   |
| Oasis Petroleum, Inc.:                          |       |           |
| 7.25%, 2/01/19                                  | 385   | 406,175   |
| 6.50%, 11/01/21                                 | 430   | 438,600   |
| Offshore Group Investments Ltd.:                |       |           |
| 11.50%, 8/01/15                                 | 485   | 535,925   |
| 11.50%, 8/01/15 (d)                             | 1,965 | 2,171,325 |
| OGX Petroleo e Gas Participações SA (d):        |       |           |
| 8.50%, 6/01/18                                  | 3,442 | 3,054,775 |
| 8.38%, 4/01/22                                  | 835   | 709,750   |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (d)         | 435   | 454,575   |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (d)     | 1,775 | 1,814,937 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (d) | 650   | 693,875   |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>            |              |            |
| Pioneer Natural Resources Co.:                                |              |            |
| 6.88%, 5/01/18  | USD 680      | \$ 823,275 |
| 7.50%, 1/15/20  | 215          | 268,894    |
| Range Resources Corp.:  |              |            |
| 8.00%, 5/15/19  | 515          | 569,075    |
| 5.75%, 6/01/21  | 1,445        | 1,537,119  |
| 5.00%, 8/15/22  | 644          | 670,565    |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16      | 905          | 968,350    |
| Samson Investment Co., 9.75%, 2/15/20 (d)                     | 123          | 126,690    |
| SandRidge Energy, Inc.:                                       |              |            |
| 7.50%, 3/15/21 (d)  | 1,015        | 1,027,687  |
| 7.50%, 3/15/21  | 375          | 379,687    |
| 8.13%, 10/15/22 (d)   | 375          | 391,875    |
| 7.50%, 2/15/23 (d)  | 810          | 814,050    |
| SESI LLC:   |              |            |
| 6.38%, 5/01/19  | 480          | 508,800    |
| 7.13%, 12/15/21   | 345          | 383,812    |
| SM Energy Co.:  |              |            |
| 6.63%, 2/15/19  | 195          | 203,775    |
| 6.50%, 11/15/21   | 390          | 407,550    |
| 6.50%, 1/01/23 (d)  | 185          | 192,863    |
| Vanguard Natural Resources, 7.88%, 4/01/20                    | 400          | 400,000    |
|   |              | 45,073,251 |
| <b>Paper &amp; Forest Products 1.5%</b>                       |              |            |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(d)             | 1,861        | 1,693,524  |
| Boise Paper Holdings LLC:                                     |              |            |
| 9.00%, 11/01/17   | 85           | 94,138     |
| 8.00%, 4/01/20  | 180          | 198,900    |
| Clearwater Paper Corp.:                                       |              |            |
| 10.63%, 6/15/16   | 585          | 653,737    |
| 7.13%, 11/01/18   | 865          | 945,012    |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (d) | 505          | 522,675    |
| NewPage Corp., 11.38%, 12/31/14 (a)(g)                        | 3,130        | 2,120,575  |
| Sappi Papier Holding GmbH, 8.38%, 6/15/19 (d)                 | 200          | 210,500    |
|   |              | 6,439,061  |
| <b>Pharmaceuticals 1.0%</b>                                   |              |            |
| Capsugel Finance Co. SCA:                                     |              |            |
| 9.88%, 8/01/19  | EUR 100      | 140,559    |
| 9.88%, 8/01/19 (d)  | 300          | 421,678    |
| Pharmaceutical Product Development, Inc.,                     |              |            |
| 9.50%, 12/01/19 (d)   | USD 520      | 579,800    |
| Spectrum Brands, Inc., 6.75%, 3/15/20 (d)                     | 385          | 404,250    |
| Valeant Pharmaceuticals International (d):                    |              |            |
| 6.50%, 7/15/16  | 1,845        | 1,946,475  |
| 6.75%, 8/15/21  | 840          | 852,600    |
|   |              | 4,345,362  |
| <b>Professional Services 0.4%</b>                             |              |            |
| FTI Consulting, Inc., 6.75%, 10/01/20                         | 1,370        | 1,462,475  |

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| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                   |     |       |            |
|---|-----|-------|------------|
| Felcor Lodging LP, 6.75%, 6/01/19                                   |     | 1,790 | 1,919,775  |
| The Rouse Co. LP, 6.75%, 11/09/15                                   |     | 770   | 811,387    |
|   |     |       | 2,731,162  |
| <b>Real Estate Management &amp; Development 2.3%</b>                |     |       |            |
| CBRE Services, Inc., 6.63%, 10/15/20                                |     | 500   | 546,250    |
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (d) |     | 1,050 | 1,076,250  |
| Forest City Enterprises, Inc., 7.63%, 6/01/15                       |     | 687   | 683,136    |
| IVG Immobilien AG, 8.00% (i)  | EUR | 200   | 114,208    |
| <b>Corporate Bonds</b>  |     |       |            |
| <b>Real Estate Management &amp; Development (concluded)</b>         |     |       |            |
| Realogy Corp.:  |     |       |            |
| 11.50%, 4/15/17   | USD | 575   | \$ 610,937 |
| 12.00%, 4/15/17   |     | 145   | 151,888    |
| 7.88%, 2/15/19 (d)  |     | 2,995 | 3,084,850  |
| 7.63%, 1/15/20 (d)  |     | 750   | 817,500    |
| 9.00%, 1/15/20 (d)  |     | 485   | 523,800    |
| Shea Homes LP, 8.63%, 5/15/19                                       |     | 1,775 | 1,974,687  |
|   |     |       | 9,583,506  |
| <b>Road &amp; Rail 1.2%</b>   |     |       |            |
| Florida East Coast Railway Corp., 8.13%, 2/01/17                    |     | 610   | 640,500    |
| The Hertz Corp.:  |     |       |            |
| 7.50%, 10/15/18   |     | 820   | 884,575    |
| 6.75%, 4/15/19 (d)  |     | 430   | 451,500    |
| 7.38%, 1/15/21  |     | 610   | 663,375    |
| Hertz Holdings Netherlands BV:                                      |     |       |            |
| 8.50%, 7/31/15  | EUR | 221   | 301,602    |
| 8.50%, 7/31/15 (d)  |     | 1,661 | 2,266,788  |
|   |     |       | 5,208,340  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.2%</b>            |     |       |            |
| Spanision LLC, 7.88%, 11/15/17                                      | USD | 850   | 828,750    |
| <b>Software 1.3%</b>  |     |       |            |
| Audatex North America, Inc., 6.75%, 6/15/18 (d)                     |     | 770   | 825,825    |
| Infor US, Inc., 9.38%, 4/01/19 (d)                                  |     | 2,450 | 2,652,125  |
| Nuance Communications, Inc., 5.38%, 8/15/20 (d)                     |     | 1,295 | 1,324,137  |
| Sophia LP, 9.75%, 1/15/19 (d)                                       |     | 645   | 693,375    |
|   |     |       | 5,495,462  |
| <b>Specialty Retail 2.8%</b>  |     |       |            |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20                      |     | 540   | 596,700    |
| Claire's Stores, Inc., 9.00%, 3/15/19 (d)                           |     | 730   | 757,375    |
| House of Fraser Funding Plc:  |     |       |            |
| 8.88%, 8/15/18 (d)  | GBP | 420   | 592,705    |
| 8.88%, 8/15/18  |     | 221   | 311,876    |
| Limited Brands, Inc.:   |     |       |            |
| 8.50%, 6/15/19  | USD | 1,170 | 1,404,000  |
| 5.63%, 2/15/22  |     | 235   | 247,338    |
| Party City Holdings, Inc., 8.88%, 8/01/20 (d)                       |     | 1,170 | 1,237,275  |
| Penske Automotive Group, Inc., 5.75%, 10/01/22 (d)                  |     | 800   | 816,000    |
| Phones4u Finance Plc, 9.50%, 4/01/18 (d)                            | GBP | 545   | 835,091    |
| QVC, Inc. (d):  |     |       |            |
| 7.13%, 4/15/17  | USD | 340   | 359,625    |
| 7.50%, 10/01/19   |     | 920   | 1,019,373  |
| 7.38%, 10/15/20   |     | 440   | 490,279    |
| 5.13%, 7/02/22  |     | 632   | 662,426    |
| Sally Holdings LLC:   |     |       |            |



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|  |       |            |
|--|-------|------------|
| 6.88%, 11/15/19                                  | 805   | 899,587    |
| 5.75%, 6/01/22                                   | 640   | 688,800    |
| Sonic Automotive, Inc., 9.00%, 3/15/18           | 550   | 600,875    |
|  |       | 11,519,325 |
| <b>Textiles, Apparel &amp; Luxury Goods 0.2%</b> |       |            |
| Levi Strauss & Co., 6.88%, 5/01/22               | 645   | 669,188    |
| <b>Trading Companies &amp; Distributors 0.7%</b> |       |            |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (d)        | 735   | 764,400    |
| Doric Nimrod Air Finance Alpha Ltd. (d):         |       |            |
| Series 2012-1, Class A, 5.13%, 11/30/24          | 1,130 | 1,146,950  |
| Series 2012-1, Class B, 6.50%, 5/30/21           | 855   | 865,106    |
|  |       | 2,776,456  |
| <b>Transportation Infrastructure 0.2%</b>        |       |            |
| Aguila 3 SA, 7.88%, 1/31/18 (d)                  | 632   | 665,970    |

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value       |
|--|--------------|-------------|
| <b>Corporate Bonds</b>   |              |             |
| <b>Wireless Telecommunication Services 4.2%</b>                          |              |             |
| Cricket Communications, Inc.:  |              |             |
| 7.75%, 5/15/16   | USD 900      | \$ 949,500  |
| 7.75%, 10/15/20  | 325          | 315,250     |
| Digicel Group Ltd. (d):  |              |             |
| 9.13%, 1/15/15   | 2,787        | 2,814,870   |
| 8.25%, 9/01/17   | 1,650        | 1,749,000   |
| 10.50%, 4/15/18  | 1,480        | 1,598,400   |
| Matterhorn Mobile Holdings SA, 8.25%, 2/15/20                            | EUR 296      | 403,024     |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20                                 | USD 1,150    | 1,190,250   |
| NII Capital Corp., 7.63%, 4/01/21  | 517          | 399,383     |
| SBA Telecommunications, Inc., 5.75%, 7/15/20 (d)                         | 422          | 440,990     |
| Sprint Capital Corp., 6.88%, 11/15/28                                    | 2,703        | 2,446,215   |
| Sprint Nextel Corp. (d):   |              |             |
| 9.00%, 11/15/18  | 2,640        | 3,115,200   |
| 7.00%, 3/01/20   | 1,960        | 2,146,200   |
|  |              | 17,568,282  |
| <b>Total Corporate Bonds 104.6%</b>                                      |              | 435,936,342 |
| <b>Floating Rate Loan Interests (b)</b>                                  |              |             |
| <b>Airlines 0.2%</b>   |              |             |
| Delta Air Lines, Inc., Term Loan B, 5.50%, 4/20/17                       | 651          | 655,226     |
| <b>Auto Components 0.6%</b>  |              |             |
| Federal-Mogul Corp., Term Loan B, 2.17%,<br>12/29/14                     | 1,791        | 1,708,812   |
| Schaeffler AG, Term Loan C2, 6.00%, 1/27/17                              | 735          | 737,146     |
|  |              | 2,445,958   |
| <b>Building Products 0.2%</b>  |              |             |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17        | 748          | 757,545     |
| <b>Capital Markets 0.7%</b>  |              |             |
| American Capital Holdings, Term Loan, 5.50%,<br>7/19/16                  | 1,197        | 1,201,489   |
| Nuveen Investments, Inc.:  |              |             |
| Incremental Term Loan, 7.25%, 5/13/17                                    | 995          | 999,477     |
| Second Lien Term Loan, 8.25%, 2/28/19                                    | 615          | 618,844     |
|  |              | 2,819,810   |
| <b>Chemicals 0.7%</b>  |              |             |
| Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19                        | 250          | 252,345     |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%,<br>5/04/18                | 1,696        | 1,698,226   |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B,<br>3.98%, 7/30/14 | 348          | 341,624     |
| Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17                             | 552          | 513,695     |
|  |              | 2,805,890   |
| <b>Commercial Services &amp; Supplies 0.7%</b>                           |              |             |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>5.25%, 6/10/16             | 676          | 675,572     |
| Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16                       | 875          | 883,750     |
| Volume Services America, Inc., Term Loan B,<br>10.50% 10.75%, 9/16/16    | 1,474        | 1,473,750   |



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|  |       |           |
|--|-------|-----------|
| inVentiv Health, Inc., Combined Term Loan, 6.50%,<br>8/04/16 | 1,069 | 994,998   |
|  |       | 2,071,212 |
| <b>Hotels, Restaurants &amp; Leisure 1.2%</b>                |       |           |
| Caesars Entertainment Operating Co., Inc.:                   |       |           |
| Extended Term Loan B6, 5.49%, 1/26/18                        | 300   | 263,718   |
| Incremental Term Loan B4, 9.50%, 10/31/16                    | 716   | 730,453   |
| Term Loan B1, 3.24%, 1/28/15                                 | 602   | 570,942   |
| Term Loan B2, 3.24%, 1/28/15                                 | 655   | 620,722   |
| Term Loan B3, 3.24% 3.46%, 1/28/15                           | 1,422 | 1,348,141 |

See Notes to Financial Statements.

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## Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Floating Rate Loan Interests (b)</b>                               |              |           |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>                  |              |           |
| OSI Restaurant Partners LLC:  |              |           |
| Revolver, 2.49% 2.56%, 6/14/13  | USD 14       | \$ 13,808 |
| Term Loan B, 2.56%, 6/14/14   | 140          | 139,168   |
| Sabre, Inc., Non-Extended Initial Term Loan,<br>2.23%, 9/30/14        | 95           | 94,442    |
| Station Casinos, Inc., Term Loan B1, 3.23%,<br>6/17/16                | 1,281        | 1,217,343 |
| Travelport LLC:   |              |           |
| Extended Tranche A Term Loan, 6.44%, 9/28/12                          | 285          | 85,468    |
| Extended Tranche B Term Loan, 13.94%,<br>12/01/16                     | 918          | 73,480    |
|   |              | 5,157,685 |
| <b>Industrial Conglomerates 0.1%</b>                                  |              |           |
| Sequa Corp.:  |              |           |
| Incremental Term Loan, 6.25%, 12/03/14                                | 263          | 263,372   |
| Term Loan, 3.69% 3.72%, 12/03/14                                      | 225          | 223,454   |
|   |              | 486,826   |
| <b>IT Services 0.3%</b>   |              |           |
| Ceridian Corp., Extended Term Loan, 5.99%, 5/09/17                    | 104          | 103,871   |
| First Data Corp., Extended 2018 Term Loan B,<br>4.24%, 3/23/18        | 1,160        | 1,095,237 |
|   |              | 1,199,108 |
| <b>Leisure Equipment &amp; Products 0.2%</b>                          |              |           |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/19/13                 | 965          | 956,033   |
| <b>Machinery 0.5%</b>   |              |           |
| Navistar International Corp., Term Loan B, 7.00%,<br>8/17/17          | 1,000        | 1,004,573 |
| Rexnord Corp., Term Loan B, 5.00%, 4/02/18                            | 876          | 879,041   |
|   |              | 1,883,614 |
| <b>Media 4.7%</b>   |              |           |
| Affinion Group, Inc., Term Loan B, 5.00%, 7/16/15                     | 69           | 58,863    |
| Cengage Learning Acquisitions, Inc.:                                  |              |           |
| Non-Extended Term Loan, 2.49%, 7/03/14                                | 482          | 444,174   |
| Tranche 1 Incremental, 7.50%, 7/03/14                                 | 2,400        | 2,310,000 |
| Cequel Communications LLC, Term Loan B, 4.00%,<br>2/14/19             | 738          | 736,615   |
| Clear Channel Communications, Inc.:                                   |              |           |
| Term Loan B, 3.88%, 1/28/16   | 2,865        | 2,218,758 |
| Term Loan C, 3.88%, 1/28/16   | 558          | 424,284   |
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18             | 635          | 639,286   |
| Intelsat Jackson Holdings SA, Tranche B Term Loan,<br>5.25%, 4/02/18  | 9,390        | 9,420,457 |
| Interactive Data Corp., Term Loan B, 4.50%,<br>2/12/18                | 608          | 609,352   |
| Newsday LLC, Fixed Rate Term Loan, 10.50%,<br>8/01/13                 | 2,150        | 2,161,653 |
| Univision Communications, Inc., Extended Term Loan,<br>4.48%, 3/31/17 | 450          | 434,600   |



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|  | <b>Beneficial<br/>Interest<br/>(000)</b> |       |
|--|--|-------|
| <b>Other Interests (j)</b>                               |  |       |
| <b>Auto Components 0.0%</b>                              |  |       |
| Lear Corp. Escrow  | 790                                      | 8,394 |
| <b>Chemicals 0.0%</b>                                    |  |       |
| Wellman Holdings, Inc., Litigation Trust Certificate (a) | 4,650                                    | 47    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |  |       |
| Buffets, Inc. (a)  | 970                                      | 10    |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

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

|                              |             | Beneficial<br>Interest<br>(000) | Value        |
|------------------------------|-------------|---------------------------------|--------------|
| <b>Other Interests (j)</b>   |             |                                 |              |
| <b>Media 0.0%</b>            |             |                                 |              |
| Adelphia Escrow              | USD         | 1,250                           | \$ 12        |
| Adelphia Recovery Trust (a)  |             | 1,568                           | 157          |
|                              |             |                                 | 169          |
| <b>Total Other Interests</b> | <b>0.0%</b> |                                 | <b>8,620</b> |

|   | Par<br>(000) |         |
|---|--------------|---------|
| <b>Preferred Securities</b>                   |              |         |
| <b>Capital Trusts 0.2%</b>                    |              |         |
| <b>Insurance 0.2%</b>                         |              |         |
| Genworth Financial, Inc., 6.15%, 11/15/66 (b) | 1,270        | 762,000 |

|   | Shares      |                  |
|---|-------------|------------------|
| <b>Preferred Stocks</b>                           |             |                  |
| <b>Auto Components 0.7%</b>                       |             |                  |
| Dana Holding Corp., 4.00% (d)(e)                  | 25,990      | 3,037,581        |
| <b>Diversified Financial Services 1.4%</b>        |             |                  |
| Ally Financial, Inc., 7.00% (d)                   | 6,500       | 5,918,860        |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b> |             |                  |
| MPG Office Trust, Inc., Series A, 7.63% (a)       | 13,326      | 306,231          |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>        |             |                  |
| Fannie Mae, Series O, 7.00% (a)                   | 40,000      | 48,000           |
| Freddie Mac, Series Z, 8.38% (a)                  | 108,377     | 100,791          |
|   |             | 148,791          |
| <b>Total Preferred Stocks</b>                     | <b>2.3%</b> | <b>9,411,463</b> |

|  |             |                   |
|--|-------------|-------------------|
| <b>Trust Preferreds</b>                            |             |                   |
| <b>Diversified Financial Services 0.8%</b>         |             |                   |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b) | 114,510     | 2,829,862         |
| RBS Capital Funding Trust VII, 6.08% (a)(b)(g)(i)  | 42,900      | 735,306           |
| <b>Total Trust Preferreds</b>                      |             | <b>3,565,168</b>  |
| <b>Total Preferred Securities</b>                  | <b>3.3%</b> | <b>13,738,631</b> |

|  |        |        |
|--|--------|--------|
| <b>Warrants (k)</b>  |        |        |
| <b>Containers &amp; Packaging 0.0%</b>                     |        |        |
| MDP Acquisitions Plc (Expires 10/10/13)                    | 1,100  | 46,258 |
| <b>Health Care Providers &amp; Services 0.0%</b>           |        |        |
| HealthSouth Corp. (Expires 1/16/14)                        | 52,465 | 1      |
| <b>Media 0.0%</b>  |        |        |
| New Vision Holdings LLC (Expires 9/30/14)                  | 26,189 |        |
| <b>Software 0.0%</b>                                       |        |        |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17) | 491    |        |
|  | 1,736  |        |



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|  |                       |               |                |
|--|-----------------------|---------------|----------------|
| HMH Holdings/EduMedia (Issued/Exercisable<br>3/09/10, 19 Shares for 1 Warrant, Expires<br>6/22/19, Strike Price \$42.27) |                       |               |                |
| <b>Total Warrants</b>  | <b>0.0%</b>           |               | 46,259         |
| <b>Total Investments (Cost</b>   | <b>\$569,171,553)</b> | <b>140.2%</b> | 584,232,874    |
| <b>Liabilities in Excess of Other Assets</b>   | <b>(40.2)%</b>        |               | (167,531,857)  |
| <b>Net Assets</b>  | <b>100.0%</b>         |               | \$ 416,701,017 |

- (a) Non-income producing security.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (d) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (h) All or a portion of security has been pledged as collateral in connection with swaps.
- (i) Security is perpetual in nature and has no stated maturity date.
- (j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (k) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>August 31,<br>2012 | Income |
|--|--------------------------------------|-----------------|--------------------------------------|--------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 1,171,689                            | (1,171,689)     | \$                                   | 959    |

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

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

| Contracts | Issue                             | Exchange              | Expiration        | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-----------------------------------|-----------------------|-------------------|-------------------|----------------------------|
| 174       | S&P 500<br>E-Mini<br>Index Future | Chicago<br>Mercantile | September<br>2012 | USD 12,224,370    | \$ (840,806)               |

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

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| Currency Purchased |           | Currency Sold |           | Counterparty                        | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------|---------------|-----------|-------------------------------------|-----------------|--|
| GBP                | 94,000    | USD           | 149,233   | UBS AG                              | 9/05/12         | \$ 25                                  |
| GBP                | 130,000   | USD           | 204,343   | Citigroup, Inc.                     | 10/17/12        | 2,048                                  |
| GBP                | 239,000   | USD           | 374,431   | Citigroup, Inc.                     | 10/17/12        | 5,009                                  |
| GBP                | 127,000   | USD           | 200,904   | Royal Bank of<br>Scotland Group Plc | 10/17/12        | 723                                    |
| USD                | 110,094   | AUD           | 109,000   | Citigroup, Inc.                     | 10/17/12        | (2,080)                                |
| USD                | 191,230   | AUD           | 188,000   | UBS AG                              | 10/17/12        | (2,243)                                |
| USD                | 4,956,788 | CAD           | 5,034,000 | UBS AG                              | 10/17/12        | (145,375)                              |
| USD                | 407,359   | GBP           | 260,000   | Citigroup, Inc.                     | 10/17/12        | (5,421)                                |
| USD                | 139,514   | GBP           | 90,000    | Deutsche Bank AG                    | 10/17/12        | (3,371)                                |
| USD                | 5,455,889 | GBP           | 3,514,500 | UBS AG                              | 10/17/12        | (123,791)                              |
| USD                | 411,031   | GBP           | 265,000   | UBS AG                              | 10/17/12        | (9,687)                                |
| USD                | 62,726    | GBP           | 40,000    | UBS AG                              | 10/17/12        | (779)                                  |
| USD                | 149,213   | GBP           | 94,000    | UBS AG                              | 10/17/12        | (23)                                   |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

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

| Currency Purchased |            | Currency Sold |            | Counterparty           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|------------------------|-----------------|--|
| EUR                | 800,000    | USD           | 991,377    | Citigroup, Inc.        | 10/22/12        | \$ 15,382                              |
| EUR                | 466,000    | USD           | 571,666    | Credit Suisse Group AG | 10/22/12        | 14,772                                 |
| EUR                | 165,000    | USD           | 207,448    | UBS AG                 | 10/22/12        | 196                                    |
| EUR                | 70,000     | USD           | 86,049     | UBS AG                 | 10/22/12        | 2,042                                  |
| EUR                | 225,000    | USD           | 279,212    | UBS AG                 | 10/22/12        | 3,939                                  |
| USD                | 124,685    | EUR           | 101,000    | BNP Paribas SA         | 10/22/12        | (2,418)                                |
| USD                | 28,618,518 | EUR           | 23,343,000 | Citigroup, Inc.        | 10/22/12        | (757,448)                              |
| USD                | 826,223    | EUR           | 665,000    | Citigroup, Inc.        | 10/22/12        | (10,646)                               |
| USD                | 255,684    | EUR           | 208,000    | Citigroup, Inc.        | 10/22/12        | (6,073)                                |
| USD                | 18,562     | EUR           | 15,000     | Citigroup, Inc.        | 10/22/12        | (315)                                  |
| USD                | 550,587    | EUR           | 446,000    | UBS AG                 | 10/22/12        | (10,681)                               |
| USD                | 364,050    | EUR           | 295,000    | UBS AG                 | 10/22/12        | (7,192)                                |
| USD                | 130,299    | EUR           | 106,000    | UBS AG                 | 10/22/12        | (3,096)                                |
| USD                | 112,801    | EUR           | 90,000     | UBS AG                 | 10/22/12        | (460)                                  |
| <b>Total</b>       |            |               |            |                        |                 | \$ (1,046,963)                         |

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

| Issuer                    | Pay Fixed Rate | Counterparty     | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------|------------------|-----------------|-----------------------|--|
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 155               | \$ (11,490)                            |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 130               | (10,677)                               |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 250               | (17,810)                               |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 130               | (6,636)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 130               | (7,450)                                |
| Republic of Hungary       | 1.00%          | Deutsche Bank AG | 12/20/15        | USD 450               | 8,185                                  |
| Israel (State of)         | 1.00%          | Deutsche Bank AG | 3/20/17         | USD 335               | (7,509)                                |
| Israel (State of)         | 1.00%          | Deutsche Bank AG | 3/20/17         | USD 1,000             | (23,041)                               |
| <b>Total</b>              |                |                  |                 |                       | \$ (76,428)                            |

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

| Issuer          | Receive Fixed Rate | Counterparty              | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|-----------------|--------------------|---------------------------|-----------------|-----------------------------------|------------------------------------|-------------------------|
| Air Lease Corp. | 5.00%              | Goldman Sachs Group, Inc. | 2/14/13         | Not Rated                         | USD 800                            | \$ 13,264               |

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|                                  |       |                           |         |     |     |       |           |
|----------------------------------|-------|---------------------------|---------|-----|-----|-------|-----------|
| CIT Group, Inc.                  | 5.00% | Deutsche Bank AG          | 9/20/15 | BB  | USD | 4,700 | 611,295   |
| ARAMARK Corp.                    | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | B   | USD | 750   | 62,823    |
| ARAMARK Corp.                    | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | B   | USD | 500   | 42,230    |
| ARAMARK Corp.                    | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | B   | USD | 500   | 45,001    |
| ARAMARK Corp.                    | 5.00% | Credit Suisse Group AG    | 9/20/16 | B   | USD | 200   | 23,894    |
| ARAMARK Corp.                    | 5.00% | Goldman Sachs Group, Inc. | 9/20/16 | B   | USD | 450   | 39,429    |
| ARAMARK Corp.                    | 5.00% | Goldman Sachs Group, Inc. | 9/20/16 | B   | USD | 200   | 23,236    |
| ARAMARK Corp.                    | 5.00% | Deutsche Bank AG          | 3/20/17 | B   | USD | 295   | 19,473    |
| Crown Castle International Corp. | 7.25% | Deutsche Bank AG          | 3/20/17 | B   | USD | 690   | 9,835     |
| Ford Motor Co.                   | 5.00% | Deutsche Bank AG          | 3/20/17 | BB+ | USD | 2,200 | 96,904    |
| Goodyear Tire & Rubber Co.       | 5.00% | Deutsche Bank AG          | 6/20/17 | B+  | USD | 460   | 21,435    |
| Goodyear Tire & Rubber Co.       | 5.00% | Goldman Sachs Group, Inc. | 6/20/17 | B+  | USD | 500   | 17,619    |
| CCO Holdings LLC                 | 8.00% | Deutsche Bank AG          | 9/20/17 | BB  | USD | 2,400 | 195,516   |
| Level 3 Communications, Inc.     | 5.00% | Goldman Sachs Group, Inc. | 6/20/19 | CCC | USD | 1,500 | 41,003    |
| <b>Total</b>                     |       |                           |         |     |     | \$    | 1,262,957 |

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

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

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

| Index   | Pay Fixed Rate | Counterparty           | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|---|----------------|------------------------|-----------------|-----------------------|-------------------------|
| Dow Jones CDX North America High Yield Series 18, Version 2 | 5.00%          | Credit Suisse Group AG | 6/20/17         | USD 2,673             | \$ (8,668)              |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

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

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

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

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

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

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

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

|                              | Level 1       | Level 2        | Level 3       | Total          |
|------------------------------|---------------|----------------|---------------|----------------|
| <b>Assets:</b>               |               |                |               |                |
| Long-Term Investments:       |               |                |               |                |
| Common Stocks                | \$ 26,415,876 | \$ 1,015,216   | \$ 6,755,302  | \$ 34,186,394  |
| Corporate Bonds              |               | 429,359,388    | 6,576,954     | 435,936,342    |
| Floating Rate Loan Interests |               | 80,904,636     | 19,411,992    | 100,316,628    |
| Other Interests              | 157           |                | 8,463         | 8,620          |
| Preferred Securities         | 4,020,190     | 9,718,441      |               | 13,738,631     |
| Warrants                     |               | 46,258         | 1             | 46,259         |
| <b>Total</b>                 | \$ 30,436,223 | \$ 521,043,939 | \$ 32,752,712 | \$ 584,232,874 |

|   | Level 1      | Level 2     | Level 3    | Total        |
|---|--------------|-------------|------------|--------------|
| Derivative Financial Instruments <sup>1</sup> |              |             |            |              |
| <b>Assets:</b>                                |              |             |            |              |
| Credit contracts                              |              | \$ 441,232  | \$ 829,910 | \$ 1,271,142 |
| Foreign currency exchange contracts           |              | 44,136      |            | 44,136       |
| <b>Liabilities:</b>                           |              |             |            |              |
| Credit contracts                              |              | (93,281)    |            | (93,281)     |
| Equity contracts                              | \$ (840,806) |             |            | (840,806)    |
| Foreign currency exchange                     |              | (1,091,099) |            | (1,091,099)  |

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contracts

|              |    |           |    |           |    |         |    |           |
|--------------|----|-----------|----|-----------|----|---------|----|-----------|
| <b>Total</b> | \$ | (840,806) | \$ | (699,012) | \$ | 829,910 | \$ | (709,908) |
|--------------|----|-----------|----|-----------|----|---------|----|-----------|

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

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1      | Level 2          | Level 3 | Total            |
|--|--------------|------------------|---------|------------------|
| <b>Assets:</b>   |              |                  |         |                  |
| Cash   | \$ 1,539,537 |                  |         | \$ 1,539,537     |
| Foreign currency at value                                  | 285,748      |                  |         | 285,748          |
| Cash pledged as collateral for financial futures contracts | 731,000      |                  |         | 731,000          |
| Cash pledged as collateral for swaps                       | 400,000      |                  |         | 400,000          |
| <b>Liabilities:</b>  |              |                  |         |                  |
| Cash received as collateral for swaps                      |              | \$ (600,000)     |         | (600,000)        |
| Loan payable   |              | (175,000,000)    |         | (175,000,000)    |
| <b>Total</b>   | \$ 2,956,285 | \$ (175,600,000) |         | \$ (172,643,715) |

Prior to February 29, 2012, only significant transfers between Level 1 and Level 2 were required to be disclosed. There were no significant transfers from the beginning of the period to February 29, 2012. For the interim period March 1, 2012 through August 31, 2012, all transfers between Level 1 and Level 2 are required to be disclosed. As of February 29, 2012, the Trust used observable inputs in determining the value of certain equity securities. During the year, the Trust began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$11,248,714 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

|                              | Value         | Valuation Techniques        | Unobservable Inputs <sup>2</sup> | Range of Unobservable Inputs | Weighted Average of Unobservable Inputs <sup>3</sup> |
|------------------------------|---------------|-----------------------------|----------------------------------|------------------------------|--|
| <b>Assets:</b>               |               |                             |                                  |                              |  |
| Common Stocks                | \$ 6,755,295  | Market Comparable Companies | EBITDA Multiple                  | 5.9x                         | 5.9x   |
|                              |               | Cost                        | Forward EBITDA Multiple          | 4.6x                         | 4.6x   |
| Corporate Bonds              | 6,182,924     | Market Comparable Companies | N/A <sup>4</sup>                 |                              |  |
|                              |               | Cost                        | Yield                            | 7.00% 9.67%                  | 7.50%  |
|                              |               | Market Comparable Companies | EBITDA Multiple                  | 6.0x                         | 6.0x   |
| Floating Rate Loan Interests | 5,195,198     | Market Comparable Companies | N/A <sup>4</sup>                 |                              |  |
|                              |               | Cost                        | Illiquidity Discount             | 50%                          | 50%  |
|                              |               | Market Comparable Companies | Yield                            | 9.65%                        | 9.65%  |
|                              |               | Cost                        | N/A <sup>4</sup>                 |                              |  |
| <b>Total<sup>5</sup></b>     | \$ 18,133,417 |                             |                                  |                              |  |

See Notes to Financial Statements.



## Consolidated Schedule of Investments (concluded)

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

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

| Unobservable Input      | Impact to<br>Value if Input Increases | Impact to<br>Value if Input Decreases |
|-------------------------|---------------------------------------|---------------------------------------|
| EBITDA Multiple         | Increase                              | Decrease                              |
| Forward EBITDA Multiple | Increase                              | Decrease                              |
| Yield                   | Decrease                              | Increase                              |
| Illiquidity Discount    | Decrease                              | Increase                              |

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

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

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

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

|  | Common<br>Stocks       | Corporate<br>Bonds | Floating Rate<br>Loans | Other<br>Interests       | Preferred<br>Securities | Warrants   | Total         |
|--|------------------------|--------------------|------------------------|--------------------------|-------------------------|------------|---------------|
| <b>Assets:</b>                         |                        |                    |                        |                          |                         |            |               |
| Opening balance, as of                 |                        |                    |                        |                          |                         |            |               |
| August 31, 2011                        | \$ 3,390,998           | \$ 8,408,570       | \$ 14,224,136          | \$ 3,097,694             | \$ 985,270              | \$ 355,505 | \$ 30,462,173 |
| Transfers into Level 3 <sup>1</sup>    | 3,081,872 <sup>2</sup> |                    | 4,979,715              |                          |                         |            | 8,061,587     |
| Transfers out of Level 3 <sup>3</sup>  |                        |                    | (2,219,875)            | (3,081,872) <sup>2</sup> |                         |            | (5,301,747)   |
| Accrued                                |                        |                    |                        |                          |                         |            |               |
| discounts/premiums                     |                        | 5,852              | 197,714                |                          |                         |            | 203,566       |
| Net realized gain (loss)               | (1,466,712)            | (3,496,785)        | 46,329                 |                          | (127,834)               | (300,060)  | (5,345,062)   |
| Net change in unrealized               |                        |                    |                        |                          |                         |            |               |
| appreciation/depreciation <sup>4</sup> | 14,032                 | 3,435,600          | (1,014,380)            | (7,359)                  | (305,563)               | (55,444)   | 2,066,886     |
| Purchases                              | 1,746,246              | 1,021,647          | 5,136,930              |                          |                         |            | 7,904,823     |
| Sales                                  | (11,134)               | (2,797,930)        | (1,938,577)            |                          | (551,873)               |            | (5,299,514)   |
| <b>Closing Balance, as of</b>          |                        |                    |                        |                          |                         |            |               |
| <b>August 31, 2012</b>                 | \$ 6,755,302           | \$ 6,576,954       | \$ 19,411,992          | \$ 8,463                 |                         | \$ 1       | \$ 32,752,712 |

<sup>1</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a



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beginning of year value of \$4,979,715 transferred from Level 2 to Level 3 in the disclosure hierarchy.

- 2 Transfers into and out of Level 3 are the result of a reclassification of certain Level 3 investments between Common Stocks and Other Interests and not the result of the investments transferring into or out of Level 3.
- 3 As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$2,219,875 transferred from Level 3 to Level 2 in the disclosure hierarchy.
- 4 Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(2,333,771).

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

|   | <b>Credit<br/>Contracts</b> |
|---|-----------------------------|
| <b>Assets:</b>  |                             |
| Opening balance, as of August 31, 2011                          |                             |
| Transfers into Level 3 <sup>5</sup>                             |                             |
| Transfers out of Level 3 <sup>5</sup>                           |                             |
| Accrued discounts/premiums                                      |                             |
| Net realized gain (loss)  |                             |
| Net change in unrealized appreciation/depreciation <sup>6</sup> | \$ 829,910                  |
| Purchases   |                             |
| Issues <sup>7</sup>   |                             |
| Sales   |                             |
| Settlements <sup>8</sup>  |                             |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 829,910</b>           |

- 5 Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.
- 6 Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held as of August 31, 2012 was \$829,910.
- 7 Issues represent upfront cash received on certain derivative financial instruments.
- 8 Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Financial Statements.

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Consolidated Schedule of Investments August 31, 2012

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

| Common Stocks  | Shares      | Value        |
|--|-------------|--------------|
| <b>Auto Components 2.2%</b>                              |             |              |
| Dana Holding Corp.                                       | 150,550     | \$ 2,056,513 |
| Delphi Automotive Plc (a)                                | 250,665     | 7,592,646    |
|  |             | 9,649,159    |
| <b>Biotechnology 0.0%</b>                                |             |              |
| Ironwood Pharmaceuticals, Inc. (a)                       | 11,018      | 138,055      |
| <b>Capital Markets 0.4%</b>                              |             |              |
| American Capital Ltd. (a)                                | 80,782      | 887,794      |
| E*Trade Financial Corp. (a)                              | 116,200     | 995,834      |
|  |             | 1,883,628    |
| <b>Chemicals 0.2%</b>                                    |             |              |
| ADA-ES, Inc. (a)   | 2,810       | 65,894       |
| CF Industries Holdings, Inc.                             | 1,580       | 327,076      |
| Huntsman Corp.   | 21,750      | 312,765      |
|  |             | 705,735      |
| <b>Commercial Banks 0.2%</b>                             |             |              |
| CIT Group, Inc. (a)                                      | 26,710      | 1,008,570    |
| <b>Communications Equipment 0.4%</b>                     |             |              |
| Loral Space & Communications Ltd.                        | 21,531      | 1,580,806    |
| <b>Diversified Financial Services 0.5%</b>               |             |              |
| Kcad Holdings I Ltd.                                     | 360,332,790 | 2,389,367    |
| <b>Diversified Telecommunication Services 0.2%</b>       |             |              |
| Level 3 Communications, Inc. (a)                         | 34,800      | 749,940      |
| <b>Electrical Equipment 0.0%</b>                         |             |              |
| Medis Technologies Ltd. (a)                              | 116,910     | 351          |
| <b>Energy Equipment &amp; Services 1.1%</b>              |             |              |
| Laricina Energy Ltd. (a)                                 | 70,588      | 3,043,358    |
| Osum Oil Sands Corp. (a)                                 | 124,000     | 1,572,407    |
|  |             | 4,615,765    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |             |              |
| Travelport Worldwide Ltd. (a)(b)(c)                      | 118,935     | 15,462       |
| <b>Media 2.2%</b>  |             |              |
| Belo Corp., Class A                                      | 36,341      | 265,289      |
| Charter Communications, Inc. (a)                         | 111,076     | 8,641,713    |
| Clear Channel Outdoor Holdings, Inc., Class A            | 14,553      | 76,403       |
| Cumulus Media, Inc., Class A                             | 149,014     | 412,769      |
| DISH Network Corp., Class A                              | 9,200       | 294,308      |
|  |             | 9,690,482    |
| <b>Metals &amp; Mining 0.1%</b>                          |             |              |
| African Minerals Ltd. (a)                                | 72,301      | 289,355      |
| <b>Oil, Gas &amp; Consumable Fuels 0.1%</b>              |             |              |
| African Petroleum Corp. Ltd. (a)                         | 307,100     | 393,427      |
| <b>Paper &amp; Forest Products 0.2%</b>                  |             |              |
| Ainsworth Lumber Co. Ltd. (a)                            | 192,951     | 422,799      |
| Ainsworth Lumber Co. Ltd. (a)(d)                         | 221,591     | 485,556      |
| Western Forest Products, Inc. (a)                        | 78,039      | 84,709       |
|  |             | 993,064      |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b> |             |              |
| NXP Semiconductors NV (a)                                | 8,400       | 195,888      |
| Spansion, Inc., Class A (a)                              | 103,218     | 1,179,782    |
| SunPower Corp. (a)                                       | 431         | 1,931        |

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|   |             |        |            |
|---|-------------|--------|------------|
|   |             |        | 1,377,601  |
| <b>Software</b>                           | <b>0.2%</b> |        |            |
| Bankruptcy Management Solutions, Inc. (a) |             | 787    | 8          |
| HMH Holdings/EduMedia (a)                 |             | 31,742 | 777,684    |
|   |             |        | 777,692    |
| <b>Total Common Stocks</b>                | <b>8.3%</b> |        | 36,258,459 |

|   |             | Par<br>(000) | Value      |
|---|-------------|--------------|------------|
| <b>Corporate Bonds</b>  |             |              |            |
| <b>Aerospace &amp; Defense</b>  | <b>0.6%</b> |              |            |
| Huntington Ingalls Industries, Inc.:  |             |              |            |
| 6.88%, 3/15/18  | USD         | 370          | \$ 395,900 |
| 7.13%, 3/15/21  |             | 520          | 562,900    |
| Kratos Defense & Security Solutions, Inc.,<br>10.00%, 6/01/17                   |             | 1,274        | 1,356,810  |
| Meccanica Holdings USA, Inc., 6.25%,<br>7/15/19 (d)                             |             | 590          | 533,860    |
|   |             |              | 2,849,470  |
| <b>Airlines</b>   | <b>1.6%</b> |              |            |
| American Airlines Pass-Through Trust,<br>Series 2011-2, Class A, 8.63%, 4/15/23 |             | 1,693        | 1,794,065  |
| Continental Airlines, Inc.:   |             |              |            |
| Series 1997-4, Class B, 6.90%, 7/02/18  |             | 793          | 793,437    |
| Series 2010-1, Class B, 6.00%, 7/12/20  |             | 622          | 626,172    |
| Delta Air Lines, Inc.:  |             |              |            |
| Series 2002-1, Class G-1, 6.72%, 7/02/24  |             | 944          | 1,024,669  |
| Series 2009-1 Class B, 9.75%, 6/17/18   |             | 283          | 305,332    |
| Series 2010-1, Class B, 6.38%, 7/02/17  |             | 900          | 900,000    |
| US Airways Pass-Through Trust:  |             |              |            |
| Series 2011-1, Class C, 10.88%, 10/22/14  |             | 1,053        | 1,079,098  |
| Series 2012-1, Class C, 9.13%, 10/01/15   |             | 700          | 714,000    |
|   |             |              | 7,236,773  |
| <b>Auto Components</b>  | <b>2.1%</b> |              |            |
| Dana Holding Corp., 6.75%, 2/15/21  |             | 700          | 754,250    |
| Delphi Corp., 6.13%, 5/15/21  |             | 260          | 286,000    |
| Icahn Enterprises LP, 8.00%, 1/15/18  |             | 5,060        | 5,388,900  |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (d)   |             | 595          | 622,519    |
| International Automotive Components Group SL,<br>9.13%, 6/01/18 (d)             |             | 70           | 67,113     |
| Jaguar Land Rover Plc, 8.25%, 3/15/20   | GBP         | 745          | 1,247,727  |
| Titan International, Inc., 7.88%, 10/01/17                                      | USD         | 720          | 754,200    |
|   |             |              | 9,120,709  |
| <b>Beverages</b>  | <b>0.2%</b> |              |            |
| Crown European Holdings SA:   |             |              |            |
| 7.13%, 8/15/18  | EUR         | 255          | 352,813    |
| 7.13%, 8/15/18 (d)  |             | 303          | 419,225    |
| Refresco Group BV, 7.38%, 5/15/18   |             | 212          | 250,654    |
|   |             |              | 1,022,692  |
| <b>Biotechnology</b>  | <b>0.0%</b> |              |            |
| QHP Royalty Sub LLC, 10.25%, 3/15/15 (d)  | USD         | 85           | 84,988     |
| <b>Building Products</b>  | <b>0.8%</b> |              |            |
| Building Materials Corp. of America (d):  |             |              |            |
| 7.00%, 2/15/20  |             | 840          | 909,300    |
| 6.75%, 5/01/21  |             | 1,220        | 1,332,850  |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                      |             | 580          | 353,800    |
| USG Corp., 9.75%, 1/15/18   |             | 940          | 1,008,150  |
|   |             |              | 3,604,100  |
| <b>Capital Markets</b>  | <b>0.8%</b> |              |            |
| E*Trade Financial Corp.:  |             |              |            |
| 12.50%, 11/30/17 (b)  |             | 1,660        | 1,894,475  |

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|   |       |           |
|---|-------|-----------|
| 2.26%, 8/31/19 (d)(e)(f)                      | 380   | 324,900   |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (d) | 1,020 | 1,154,590 |
|   |       | 3,373,965 |
| <b>Chemicals 4.1%</b>                         |       |           |
| Basell Finance Co. BV, 8.10%, 3/15/27 (d)     | 645   | 861,075   |
| Celanese US Holdings LLC, 5.88%, 6/15/21      | 2,780 | 3,071,900 |
| Chemtura Corp., 7.88%, 9/01/18                | 480   | 517,200   |
| Hexion US Finance Corp.:                      |       |           |
| 6.63%, 4/15/20 (d)                            | 375   | 378,750   |
| 9.00%, 11/15/20                               | 485   | 414,675   |
| Huntsman International LLC, 8.63%, 3/15/21    | 265   | 303,425   |

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Consolidated Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                  |     |              |              |
| <b>Chemicals (concluded)</b>                            |     |              |              |
| INEOS Finance Plc (d):                                  |     |              |              |
| 8.38%, 2/15/19  | USD | 1,325        | \$ 1,394,562 |
| 7.50%, 5/01/20  |     | 680          | 693,600      |
| INEOS Group Holdings Plc, 8.50%, 2/15/16 (d)            |     | 230          | 216,775      |
| Kinove German Bondco GmbH, 10.00%, 6/15/18              | EUR | 532          | 729,236      |
| Kraton Polymers LLC, 6.75%, 3/01/19                     | USD | 195          | 199,875      |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (d)        |     | 4,370        | 4,949,025    |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (d)                 |     | 290          | 283,475      |
| PolyOne Corp., 7.38%, 9/15/20                           |     | 335          | 365,988      |
| TPC Group LLC, 8.25%, 10/01/17                          |     | 520          | 570,700      |
| Tronox Finance LLC, 6.38%, 8/15/20 (d)                  |     | 2,935        | 2,964,350    |
|   |     |              | 17,914,611   |
| <b>Commercial Banks 0.9%</b>                            |     |              |              |
| CIT Group, Inc.:  |     |              |              |
| 7.00%, 5/02/16 (d)                                      |     | 594          | 595,810      |
| 5.25%, 3/15/18  |     | 860          | 896,550      |
| 5.50%, 2/15/19 (d)                                      |     | 840          | 875,700      |
| 5.00%, 8/15/22  |     | 900          | 906,818      |
| 6.00%, 4/01/36  |     | 850          | 769,955      |
|   |     |              | 4,044,833    |
| <b>Commercial Services &amp; Supplies 2.0%</b>          |     |              |              |
| ARAMARK Corp., 8.50%, 2/01/15                           |     | 560          | 574,006      |
| ARAMARK Holdings Corp., 8.63%, 5/01/16 (b)(d)           |     | 680          | 696,157      |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (d)        |     | 840          | 862,470      |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (d)         |     | 151          | 158,942      |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (d)      |     | 43           | 43,430       |
| Casella Waste Systems, Inc., 7.75%, 2/15/19             |     | 721          | 713,790      |
| Clean Harbors, Inc., 5.25%, 8/01/20 (d)                 |     | 817          | 838,446      |
| Covanta Holding Corp., 6.38%, 10/01/22                  |     | 985          | 1,076,971    |
| EC Finance Plc, 9.75%, 8/01/17                          | EUR | 449          | 585,224      |
| Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (d) | USD | 341          | 360,608      |
| Mobile Mini, Inc., 7.88%, 12/01/20                      |     | 570          | 611,325      |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21              |     | 1,348        | 1,476,060    |
| Verisure Holding AB:                                    |     |              |              |
| 8.75%, 9/01/18  | EUR | 385          | 484,253      |
| 8.75%, 12/01/18   |     | 139          | 154,728      |
| West Corp., 8.63%, 10/01/18                             | USD | 210          | 213,150      |
|   |     |              | 8,849,560    |
| <b>Communications Equipment 1.8%</b>                    |     |              |              |
| Avaya, Inc., 9.75%, 11/01/15                            |     | 1,160        | 1,006,300    |
| Frontier Communications Corp., 6.25%, 1/15/13           |     | 1,390        | 1,414,325    |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19          |     | 630          | 674,887      |
| Zayo Group LLC/Zayo Capital, Inc.:                      |     |              |              |
| 8.13%, 1/01/20  |     | 2,380        | 2,528,750    |
| 10.13%, 7/01/20   |     | 1,960        | 2,102,100    |
|   |     |              | 7,726,362    |
| <b>Computers &amp; Peripherals 0.1%</b>                 |     |              |              |
| SanDisk Corp., 1.50%, 8/15/17 (e)                       |     | 340          | 376,550      |
| <b>Construction &amp; Engineering 0.2%</b>              |     |              |              |

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|  |     |         |
|--|-----|---------|
| Boart Longyear Management Property Ltd.,<br>7.00%, 4/01/21 (d) | 300 | 311,250 |
| H&E Equipment Services, Inc., 7.00%, 9/01/22 (d)               | 515 | 534,312 |
| URS Corp., 5.00%, 4/01/22 (d)                                  | 115 | 116,609 |
|  |     | 962,171 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Corporate Bonds</b>   |              |              |
| <b>Construction Materials 1.4%</b>                               |              |              |
| HD Supply, Inc. (d):   |              |              |
| 8.13%, 4/15/19   | USD 2,405    | \$ 2,609,425 |
| 11.00%, 4/15/20  | 2,275        | 2,502,500    |
| Xefin Lux SCA:   |              |              |
| 8.00%, 6/01/18 (d)   | EUR 393      | 481,958      |
| 8.00%, 6/01/18   | 310          | 380,170      |
|  |              | 5,974,053    |
| <b>Consumer Finance 0.2%</b>                                     |              |              |
| Credit Acceptance Corp., 9.13%, 2/01/17                          | USD 710      | 781,000      |
| Springleaf Finance (FKA AGFS Funding Co.),<br>6.90%, 12/15/17    | 160          | 131,600      |
|  |              | 912,600      |
| <b>Containers &amp; Packaging 1.6%</b>                           |              |              |
| Ardagh Packaging Finance Plc:                                    |              |              |
| 7.38%, 10/15/17  | EUR 200      | 266,025      |
| 7.38%, 10/15/17 (d)  | 574          | 763,491      |
| 7.38%, 10/15/17  | 100          | 133,012      |
| 7.38%, 10/15/17 (d)  | USD 200      | 214,250      |
| 9.13%, 10/15/20 (d)  | 260          | 271,050      |
| 9.13%, 10/15/20 (d)  | 615          | 639,600      |
| 9.13%, 10/15/20 (d)  | 210          | 219,450      |
| Berry Plastics Corp.:  |              |              |
| 4.34%, 9/15/14 (c)   | 465          | 458,025      |
| 8.25%, 11/15/15  | 185          | 194,713      |
| 9.75%, 1/15/21   | 640          | 708,800      |
| Beverage Packaging Holdings Luxembourg II SA,<br>8.00%, 12/15/16 | EUR 882      | 1,087,192    |
| GCL Holdings SCA, 9.38%, 4/15/18 (d)                             | 414          | 505,107      |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18        | USD 580      | 646,700      |
| OI European Group BV, 6.88%, 3/31/17                             | EUR 254      | 329,864      |
| Sealed Air Corp., 8.38%, 9/15/21 (d)                             | USD 285      | 320,625      |
| Smurfit Kappa Acquisitions, 7.25%, 11/15/17 (d)                  | EUR 52       | 69,984       |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (d)                             | USD 275      | 287,375      |
|  |              | 7,115,263    |
| <b>Distributors 0.6%</b>   |              |              |
| VWR Funding, Inc., 7.25%, 9/15/17 (d)(g)                         | 2,501        | 2,532,262    |
| <b>Diversified Consumer Services 1.5%</b>                        |              |              |
| Laureate Education, Inc., 9.25%, 9/01/19 (d)                     | 935          | 935,000      |
| Service Corp. International, 7.00%, 6/15/17                      | 4,775        | 5,443,500    |
| ServiceMaster Co., 8.00%, 2/15/20                                | 295          | 314,544      |
|  |              | 6,693,044    |
| <b>Diversified Financial Services 4.1%</b>                       |              |              |
| Aircastle Ltd., 6.75%, 4/15/17                                   | 720          | 777,600      |
| Ally Financial, Inc.:  |              |              |
| 7.50%, 12/31/13  | 700          | 748,125      |
| 8.00%, 11/01/31  | 4,640        | 5,486,800    |
| 8.00%, 11/01/31  | 950          | 1,127,644    |
| CNG Holdings, Inc., 9.38%, 5/15/20 (d)                           | 465          | 474,300      |
| DPL, Inc., 7.25%, 10/15/21 (d)                                   | 1,815        | 2,069,100    |
| Gala Group Finance Plc, 8.88%, 9/01/18                           | GBP 400      | 592,268      |
| General Motors Financial Co., Inc., 6.75%, 6/01/18               | USD 460      | 510,022      |

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|   |     |       |            |
|---|-----|-------|------------|
| Leucadia National Corp., 8.13%, 9/15/15 |     | 1,232 | 1,389,080  |
| Reynolds Group Issuer, Inc.:            |     |       |            |
| 7.75%, 10/15/16                         | EUR | 261   | 338,955    |
| 7.13%, 4/15/19                          | USD | 385   | 414,838    |
| 9.75%, 4/15/19 (d)                      |     | 425   | 431,906    |
| 7.88%, 8/15/19 (d)                      |     | 610   | 678,625    |
| 9.88%, 8/15/19 (d)                      |     | 1,675 | 1,771,312  |
| 8.25%, 2/15/21 (d)                      |     | 205   | 201,413    |
| WMG Acquisition Corp.:                  |     |       |            |
| 9.50%, 6/15/16 (d)                      |     | 190   | 207,575    |
| 11.50%, 10/01/18                        |     | 656   | 719,960    |
|   |     |       | 17,939,523 |

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Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>  |              |              |
| <b>Diversified Telecommunication Services 2.3%</b>                  |              |              |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 (d)(h)        | USD 1,680    | \$ 1,134,000 |
| Consolidated Communications Finance Co.,<br>10.88%, 6/01/20 (d)     | 930          | 997,425      |
| ITC Deltacom, Inc., 10.50%, 4/01/16                                 | 440          | 474,100      |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (d)                    | 495          | 504,900      |
| Level 3 Financing, Inc.:  |              |              |
| 8.13%, 7/01/19  | 2,042        | 2,138,995    |
| 7.00%, 6/01/20 (d)  | 880          | 875,600      |
| 8.63%, 7/15/20 (d)  | 1,320        | 1,412,400    |
| OTE Plc, 5.00%, 8/05/13   | EUR 168      | 183,148      |
| Telefonica Emisiones SAU, 4.69%, 11/11/19                           | 50           | 58,042       |
| Telenet Finance V Luxembourg SCA:                                   |              |              |
| 6.25%, 8/15/22  | 234          | 295,797      |
| 6.75%, 8/15/24  | 545          | 695,783      |
| Windstream Corp.:   |              |              |
| 8.13%, 8/01/13  | USD 703      | 741,665      |
| 7.88%, 11/01/17   | 627          | 681,863      |
|   |              | 10,193,718   |
| <b>Electric Utilities 0.7%</b>                                      |              |              |
| Mirant Mid Atlantic Pass-Through Trust, Series B,<br>9.13%, 6/30/17 | 454          | 487,944      |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14                  | EUR 1,900    | 2,378,587    |
|   |              | 2,866,531    |
| <b>Electrical Equipment 0.1%</b>                                    |              |              |
| Belden, Inc., 5.50%, 9/01/22 (d)                                    | USD 570      | 571,425      |
| <b>Electronic Equipment, Instruments &amp; Components 0.5%</b>      |              |              |
| CDW LLC/CDW Finance Corp., 8.50%, 4/01/19                           | 585          | 640,575      |
| Jabil Circuit, Inc., 8.25%, 3/15/18                                 | 365          | 438,000      |
| Micron Technology, Inc., 2.38%, 5/01/32 (d)(e)                      | 682          | 648,752      |
| NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (d)                          | 310          | 354,175      |
|   |              | 2,081,502    |
| <b>Energy Equipment &amp; Services 3.4%</b>                         |              |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                               | 215          | 229,513      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (d)                            | 610          | 597,800      |
| Compagnie Générale de Géophysique, Veritas:                         |              |              |
| 7.75%, 5/15/17  | 395          | 412,775      |
| 6.50%, 6/01/21  | 1,945        | 2,025,231    |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                         | 555          | 538,350      |
| FTS International Services Inc, 8.13%, 11/15/18 (d)                 | 2,730        | 2,818,725    |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 (d)                         | 245          | 249,900      |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20                    | 490          | 499,800      |
| Key Energy Services, Inc., 6.75%, 3/01/21                           | 700          | 712,250      |
| MEG Energy Corp. (d):   |              |              |
| 6.50%, 3/15/21  | 1,880        | 1,978,700    |
| 6.38%, 1/30/23  | 700          | 729,750      |
| Oil States International, Inc., 6.50%, 6/01/19                      | 495          | 525,937      |
| Peabody Energy Corp.:   |              |              |
| 6.25%, 11/15/21 (d)   | 2,170        | 2,207,975    |



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|  |             |     |            |
|--|-------------|-----|------------|
| 7.88%, 11/01/26                        |             | 580 | 619,150    |
| Precision Drilling Corp.:              |             |     |            |
| 6.63%, 11/15/20                        |             | 120 | 126,000    |
| 6.50%, 12/15/21                        |             | 460 | 483,000    |
|  |             |     | 14,754,856 |
| <b>Food &amp; Staples Retailing</b>    | <b>0.3%</b> |     |            |
| Bakkavor Finance 2 Plc, 8.25%, 2/15/18 | GBP         | 415 | 579,883    |
| Rite Aid Corp., 9.25%, 3/15/20         | USD         | 580 | 595,950    |
|  |             |     | 1,175,833  |

| Corporate Bonds                              |             | Par<br>(000) |    | Value     |
|--|-------------|--------------|----|-----------|
| <b>Food Products</b>                         | <b>0.4%</b> |              |    |           |
| Darling International, Inc., 8.50%, 12/15/18 | USD         | 180          | \$ | 203,850   |
| Del Monte Corp., 7.63%, 2/15/19              |             | 94           |    | 93,882    |
| Post Holdings, Inc., 7.38%, 2/15/22 (d)      |             | 665          |    | 700,744   |
| Smithfield Foods, Inc., 6.63%, 8/15/22       |             | 901          |    | 922,399   |
|  |             |              |    | 1,920,875 |

|   |             |       |  |           |
|---|-------------|-------|--|-----------|
| <b>Health Care Equipment &amp; Supplies</b>       | <b>1.5%</b> |       |  |           |
| Biomet, Inc. (d):                                 |             |       |  |           |
| 10.00%, 10/15/17                                  |             | 300   |  | 317,438   |
| 6.50%, 8/01/20                                    |             | 1,088 |  | 1,128,800 |
| DJO Finance LLC:                                  |             |       |  |           |
| 10.88%, 11/15/14                                  |             | 804   |  | 839,175   |
| 8.75%, 3/15/18 (d)                                |             | 695   |  | 738,437   |
| 7.75%, 4/15/18                                    |             | 160   |  | 146,400   |
| Fresenius Medical Care US Finance II, Inc.,       |             |       |  |           |
| 5.88%, 1/31/22 (d)                                |             | 1,010 |  | 1,073,125 |
| Fresenius Medical Care US Finance, Inc., 6.50%,   |             |       |  |           |
| 9/15/18 (d)                                       |             | 324   |  | 363,285   |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (d) |             | 850   |  | 978,562   |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%,     |             |       |  |           |
| 11/01/19 (d)                                      |             | 435   |  | 394,763   |
| Teleflex, Inc., 6.88%, 6/01/19                    |             | 455   |  | 486,850   |
|   |             |       |  | 6,466,835 |

|   |             |       |  |           |
|---|-------------|-------|--|-----------|
| <b>Health Care Providers &amp; Services</b>   | <b>7.3%</b> |       |  |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 |             | 880   |  | 915,200   |
| CHS/Community Health Systems, Inc.:           |             |       |  |           |
| 5.13%, 8/15/18                                |             | 1,180 |  | 1,216,875 |
| 7.13%, 7/15/20                                |             | 703   |  | 736,392   |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (d) | EUR         | 694   |  | 934,017   |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (d)         | GBP         | 575   |  | 919,862   |
| DaVita, Inc., 5.75%, 8/15/22                  | USD         | 1,431 |  | 1,488,240 |
| HCA, Inc.:                                    |             |       |  |           |
| 8.50%, 4/15/19                                |             | 205   |  | 231,138   |
| 6.50%, 2/15/20                                |             | 3,660 |  | 4,021,425 |
| 7.88%, 2/15/20                                |             | 145   |  | 161,856   |
| 7.25%, 9/15/20                                |             | 4,020 |  | 4,454,662 |
| 5.88%, 3/15/22                                |             | 425   |  | 452,094   |
| Hologic, Inc., 6.25%, 8/01/20 (d)             |             | 2,475 |  | 2,620,406 |
| IASIS Healthcare LLC, 8.38%, 5/15/19          |             | 2,274 |  | 2,168,827 |
| INC Research LLC, 11.50%, 7/15/19 (d)         |             | 640   |  | 627,200   |
| inVentiv Health, Inc., 10.00%, 8/15/18 (d)    |             | 200   |  | 168,500   |
| Omnicare, Inc., 7.75%, 6/01/20                |             | 1,520 |  | 1,675,800 |
| PSS World Medical, Inc., 6.38%, 3/01/22       |             | 521   |  | 550,958   |
| Symbion, Inc., 8.00%, 6/15/16                 |             | 535   |  | 540,684   |
| Tenet Healthcare Corp.:                       |             |       |  |           |
| 10.00%, 5/01/18                               |             | 1,330 |  | 1,529,500 |
| 6.25%, 11/01/18                               |             | 510   |  | 553,669   |
| 8.88%, 7/01/19                                |             | 3,970 |  | 4,515,875 |
| United Surgical Partners International, Inc., |             |       |  |           |

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|  |           |            |
|--|-----------|------------|
| 9.00%, 4/01/20 (d)   | 450       | 483,188    |
| Vanguard Health Holding Co. II LLC, 7.75%,<br>2/01/19 (d)                | 720       | 750,600    |
|  |           | 31,716,968 |
| <b>Health Care Technology 1.0%</b>                                       |           |            |
| IMS Health, Inc., 12.50%, 3/01/18 (d)                                    | 3,760     | 4,418,000  |
| <b>Hotels, Restaurants &amp; Leisure 4.5%</b>                            |           |            |
| Affinity Gaming LLC/Affinity Gaming Finance Corp.,<br>9.00%, 5/15/18 (d) | 445       | 452,787    |
| Caesars Entertainment Operating Co., Inc.:                               |           |            |
| 11.25%, 6/01/17  | 2,215     | 2,386,662  |
| 10.00%, 12/15/18   | 4,150     | 2,614,500  |
| 8.50%, 2/15/20 (d)   | 475       | 468,469    |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (d)                         | 2,587     | 2,574,065  |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (d)                                  | 510       | 530,400    |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                              | EUR 364   | 401,754    |
| Diamond Resorts Corp., 12.00%, 8/15/18                                   | USD 1,860 | 1,978,575  |

See Notes to Financial Statements.

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## Consolidated Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>              |     |              |            |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (d)                         | USD | 210          | \$ 204,750 |
| Enterprise Inns Plc, 6.50%, 12/06/18                              | GBP | 501          | 688,119    |
| Gategroup Finance Luxembourg SA, 6.75%,<br>3/01/19                | EUR | 455          | 585,176    |
| Little Traverse Bay Bands of Odawa Indians, 9.00%,<br>8/31/20 (d) | USD | 441          | 401,310    |
| MGM Resorts International:  |     |              |            |
| 10.38%, 5/15/14   |     | 310          | 351,850    |
| 4.25%, 4/15/15 (e)  |     | 1,670        | 1,686,700  |
| 11.13%, 11/15/17  |     | 2,210        | 2,458,625  |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (b)                       |     | 231          | 237,507    |
| Travelport LLC:   |     |              |            |
| 5.05%, 9/01/14 (c)  |     | 235          | 166,850    |
| 9.88%, 9/01/14  |     | 50           | 39,750     |
| 9.00%, 3/01/16  |     | 190          | 134,900    |
| 6.46%, 12/01/16 (b)(c)(d)   |     | 648          | 500,504    |
| Tropicana Entertainment LLC, 9.63%,<br>12/15/14 (d)(h)            |     | 515          |            |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 (d)                            |     | 950          | 971,375    |
|   |     |              | 19,834,628 |
| <b>Household Durables 1.8%</b>                                    |     |              |            |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (d)                        |     | 55           | 56,238     |
| Jarden Corp., 7.50%, 1/15/20                                      | EUR | 455          | 616,652    |
| Libbey Glass, Inc., 6.88%, 5/15/20 (d)                            | USD | 945          | 1,007,606  |
| Pulte Group, Inc., 6.38%, 5/15/33                                 |     | 290          | 252,300    |
| Ryland Group, Inc., 6.63%, 5/01/20                                |     | 525          | 553,875    |
| Spie BondCo 3 SCA, 11.00%, 8/15/19                                | EUR | 471          | 601,310    |
| Standard Pacific Corp.:   |     |              |            |
| 10.75%, 9/15/16   | USD | 2,355        | 2,843,663  |
| 8.38%, 1/15/21  |     | 1,640        | 1,828,600  |
|   |     |              | 7,760,244  |
| <b>Household Products 0.6%</b>                                    |     |              |            |
| Ontex IV SA:  |     |              |            |
| 7.50%, 4/15/18  | EUR | 219          | 279,590    |
| 7.50%, 4/15/18 (d)  |     | 220          | 280,867    |
| 9.00%, 4/15/19  |     | 316          | 365,668    |
| Spectrum Brands Holdings, Inc.:                                   |     |              |            |
| 9.50%, 6/15/18  | USD | 560          | 639,100    |
| 9.50%, 6/15/18 (d)  |     | 910          | 1,038,537  |
|   |     |              | 2,603,762  |
| <b>Independent Power Producers &amp;<br/>Energy Traders 3.1%</b>  |     |              |            |
| The AES Corp., 7.38%, 7/01/21                                     |     | 425          | 486,625    |
| Calpine Corp. (d):  |     |              |            |
| 7.25%, 10/15/17   |     | 275          | 294,250    |
| 7.50%, 2/15/21  |     | 160          | 177,600    |
| 7.88%, 1/15/23  |     | 680          | 768,400    |
| Energy Future Holdings Corp., 10.00%, 1/15/20                     |     | 2,950        | 3,252,375  |
| Energy Future Intermediate Holding Co. LLC:                       |     |              |            |
| 6.88%, 8/15/17 (d)  |     | 475          | 485,094    |

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|                                      |       |            |
|--------------------------------------|-------|------------|
| 10.00%, 12/01/20                     | 4,156 | 4,665,110  |
| 11.75%, 3/01/22 (d)                  | 909   | 968,085    |
| GenOn REMA LLC, 9.24%, 7/02/17       | 375   | 402,669    |
| Laredo Petroleum, Inc.:              |       |            |
| 9.50%, 2/15/19                       | 765   | 868,275    |
| 7.38%, 5/01/22                       | 575   | 618,125    |
| QEP Resources, Inc., 5.38%, 10/01/22 | 513   | 525,825    |
|                                      |       | 13,512,433 |

**Industrial Conglomerates 2.4%**

|                  |       |            |
|------------------|-------|------------|
| Sequa Corp. (d): |       |            |
| 11.75%, 12/01/15 | 3,810 | 4,000,500  |
| 13.50%, 12/01/15 | 6,236 | 6,610,279  |
|                  |       | 10,610,779 |

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

**Corporate Bonds Insurance 1.0%**

|   |     |       |    |           |
|---|-----|-------|----|-----------|
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (d)(i)  | USD | 2,600 | \$ | 2,687,750 |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (d)     |     | 573   |    | 626,719   |
| Genworth Financial, Inc., 7.63%, 9/24/21          |     | 660   |    | 674,388   |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (d) |     | 395   |    | 353,525   |
|   |     |       |    | 4,342,382 |

**IT Services 3.1%**

|                                       |  |       |  |            |
|---------------------------------------|--|-------|--|------------|
| Ceridian Corp., 8.88%, 7/15/19 (d)    |  | 2,290 |  | 2,456,025  |
| Epicor Software Corp., 8.63%, 5/01/19 |  | 860   |  | 885,800    |
| First Data Corp.:                     |  |       |  |            |
| 7.38%, 6/15/19 (d)                    |  | 2,430 |  | 2,508,975  |
| 8.88%, 8/15/20 (d)                    |  | 830   |  | 904,700    |
| 6.75%, 11/01/20 (d)                   |  | 1,375 |  | 1,364,687  |
| 8.25%, 1/15/21 (d)                    |  | 935   |  | 926,819    |
| 12.63%, 1/15/21                       |  | 2,540 |  | 2,571,750  |
| SunGard Data Systems, Inc.:           |  |       |  |            |
| 7.38%, 11/15/18                       |  | 840   |  | 892,500    |
| 7.63%, 11/15/20                       |  | 930   |  | 997,425    |
|                                       |  |       |  | 13,508,681 |

**Machinery 1.1%**

|                           |  |       |  |           |
|---------------------------|--|-------|--|-----------|
| SPX Corp., 6.88%, 9/01/17 |  | 275   |  | 305,250   |
| UR Merger Sub Corp. (d):  |  |       |  |           |
| 5.75%, 7/15/18            |  | 398   |  | 420,885   |
| 7.38%, 5/15/20            |  | 675   |  | 715,500   |
| 7.63%, 4/15/22            |  | 3,169 |  | 3,422,520 |
|                           |  |       |  | 4,864,155 |

**Media 13.1%**

|   |  |       |  |           |
|---|--|-------|--|-----------|
| Affinion Group, Inc., 7.88%, 12/15/18                       |  | 1,260 |  | 900,900   |
| AMC Networks, Inc., 7.75%, 7/15/21                          |  | 350   |  | 396,375   |
| CCO Holdings LLC:   |  |       |  |           |
| 6.50%, 4/30/21  |  | 785   |  | 841,913   |
| 5.25%, 9/30/22  |  | 1,520 |  | 1,504,800 |
| Cengage Learning Acquisitions, Inc., 11.50%,<br>4/15/20 (d) |  | 2,015 |  | 2,120,787 |
| Checkout Holding Corp., 16.00%, 11/15/15 (d)(f)             |  | 1,040 |  | 634,400   |
| Cinemark USA, Inc., 8.63%, 6/15/19                          |  | 390   |  | 436,800   |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21       |  | 681   |  | 583,958   |
| Clear Channel Worldwide Holdings, Inc.:                     |  |       |  |           |
| Series A, 9.25%, 12/15/17                                   |  | 2,323 |  | 2,514,647 |
| Series B, 9.25%, 12/15/17                                   |  | 8,776 |  | 9,532,930 |
| Series B, 7.63%, 3/15/20                                    |  | 2,522 |  | 2,446,340 |
| Cox Enterprises, Inc.:                                      |  |       |  |           |
| Loan Close 2, 12.00%, 8/15/18                               |  | 1,081 |  | 1,081,919 |
| Loan Close 3, 4.00%, 8/15/18                                |  | 1,236 |  | 1,236,945 |

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|   |     |       |           |
|---|-----|-------|-----------|
| Shares Loan, 4.00%, 8/15/18   |     | 1,275 | 1,275,724 |
| CSC Holdings LLC, 8.50%, 4/15/14  |     | 550   | 604,313   |
| DISH DBS Corp., 5.88%, 7/15/22 (d)  |     | 1,790 | 1,803,425 |
| Harron Communications LP, 9.13%, 4/01/20 (d)                                |     | 500   | 541,250   |
| Intelsat Jackson Holdings SA:   |     |       |           |
| 11.25%, 6/15/16   |     | 1,377 | 1,449,292 |
| 7.25%, 10/15/20 (d)   |     | 1,275 | 1,373,812 |
| Intelsat Luxembourg SA:   |     |       |           |
| 11.25%, 2/04/17   |     | 950   | 997,500   |
| 11.50%, 2/04/17 (b)   |     | 1,870 | 1,963,500 |
| Interactive Data Corp., 10.25%, 8/01/18                                     |     | 2,080 | 2,345,200 |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     |     | 525   | 586,688   |
| Kabel Deutschland Vertrieb und Service GmbH &<br>Co. KG, 6.50%, 6/29/18 (d) | EUR | 530   | 718,298   |
| Lamar Media Corp., 5.88%, 2/01/22   | USD | 220   | 233,200   |
| Live Nation Entertainment, Inc., 8.13%,<br>5/15/18 (d)                      |     | 1,170 | 1,251,900 |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (d)                      |     | 914   | 1,019,110 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Media (concluded)</b>   |     |              |            |
| Nielsen Finance LLC:   |     |              |            |
| 11.63%, 2/01/14  | USD | 147          | \$ 166,845 |
| 7.75%, 10/15/18  |     | 3,425        | 3,853,125  |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (d)                                | GBP | 324          | 510,605    |
| ProQuest LLC, 9.00%, 10/15/18 (d)  | USD | 775          | 711,063    |
| Truven Health Analytics, Inc., 10.63%, 6/01/20 (d)                       |     | 790          | 843,325    |
| Unitymedia GmbH:   |     |              |            |
| 9.63%, 12/01/19  | EUR | 244          | 344,882    |
| 9.63%, 12/01/19 (d)  |     | 900          | 1,272,107  |
| 9.50%, 3/15/21   |     | 548          | 786,634    |
| Unitymedia Hessen GmbH & Co. KG:   |     |              |            |
| (FKA UPC Germany GmbH), 8.13%,<br>12/01/17 (d)                           | USD | 1,353        | 1,464,622  |
| 8.13%, 12/01/17 (d)  | EUR | 198          | 268,657    |
| 8.13%, 12/01/17 (d)  |     | 70           | 94,980     |
| 7.50%, 3/15/19   |     | 1,313        | 1,808,383  |
| UPC Holding BV, 9.88%, 4/15/18 (d)                                       | USD | 640          | 718,400    |
| UPCB Finance II Ltd.:  |     |              |            |
| 6.38%, 7/01/20 (d)   | EUR | 1,273        | 1,673,232  |
| 6.38%, 7/01/20   |     | 514          | 675,602    |
| WaveDivision Escrow LLC/WaveDivision<br>Escrow Corp., 8.13%, 9/01/20 (d) |     |              |            |
|  | USD | 465          | 478,950    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (d)                                    | EUR | 610          | 842,066    |
| Ziggo Finance BV, 6.13%, 11/15/17 (d)                                    |     | 104          | 139,641    |
|  |     |              | 57,049,045 |
| <b>Metals &amp; Mining 3.7%</b>  |     |              |            |
| Eco-Bat Finance Plc, 7.75%, 2/15/17                                      |     | 610          | 774,931    |
| FMG Resources August 2006 Property Ltd. (d):                             |     |              |            |
| 6.88%, 2/01/18   | USD | 545          | 519,112    |
| 6.88%, 4/01/22   |     | 280          | 257,600    |
| Global Brass and Copper, Inc., 9.50%, 6/01/19 (d)                        |     | 460          | 484,150    |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)                                       |     | 1,650        | 1,901,625  |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 (d)                                |     | 345          | 365,700    |
| New Gold, Inc., 7.00%, 4/15/20 (d)                                       |     | 235          | 247,337    |
| New World Resources NV, 7.88%, 5/01/18                                   | EUR | 1,055        | 1,320,344  |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (e)                    |     |              |            |
|  | USD | 2,275        | 2,892,094  |
| Novelis, Inc., 8.75%, 12/15/20   |     | 5,140        | 5,743,950  |
| Schmolz + Bickenbach Luxembourg SA, 9.88%,<br>5/15/19                    |     |              |            |
|  | EUR | 383          | 389,003    |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (d)                                 | USD | 375          | 388,125    |
| Taseko Mines Ltd., 7.75%, 4/15/19  |     | 650          | 619,125    |
| Vedanta Resources Plc, 8.25%, 6/07/21 (d)                                | GBP | 435          | 415,425    |
|  |     |              | 16,318,521 |
| <b>Multiline Retail 0.3%</b>   |     |              |            |
| Dollar General Corp., 4.13%, 7/15/17 (c)                                 | USD | 1,225        | 1,274,000  |
| <b>Oil, Gas &amp; Consumable Fuels 10.9%</b>                             |     |              |            |
| Access Midstream Partners LP, 6.13%, 7/15/22                             |     | 425          | 440,937    |
| Alpha Appalachia Holdings, Inc., 3.25%,<br>8/01/15 (e)                   |     | 1,263        | 1,133,542  |

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|  |       |           |
|--|-------|-----------|
| Alpha Natural Resources, Inc.:                   |       |           |
| 6.00%, 6/01/19                                   | 490   | 441,000   |
| 6.25%, 6/01/21                                   | 405   | 362,475   |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (d)   | 1,005 | 1,050,225 |
| Berry Petroleum Co., 6.38%, 9/15/22              | 630   | 670,950   |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (d) | 400   | 408,000   |
| CCS, Inc., 11.00%, 11/15/15 (d)                  | 880   | 910,800   |
| Chaparral Energy, Inc., 7.63%, 11/15/22 (d)      | 340   | 359,550   |
| Chesapeake Energy Corp.:                         |       |           |
| 7.25%, 12/15/18                                  | 25    | 26,188    |
| 6.63%, 8/15/20                                   | 270   | 277,425   |
| 6.88%, 11/15/20                                  | 275   | 285,313   |
| 6.13%, 2/15/21                                   | 940   | 932,950   |

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                     |              |            |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (d)                          | USD 179      | \$ 190,635 |
| Concho Resources, Inc.:  |              |            |
| 7.00%, 1/15/21   | 255          | 284,325    |
| 6.50%, 1/15/22   | 170          | 183,600    |
| 5.50%, 10/01/22  | 730          | 753,725    |
| Consol Energy, Inc., 8.25%, 4/01/20                                    | 2,750        | 2,963,125  |
| Continental Resources, Inc., 7.13%, 4/01/21                            | 575          | 644,000    |
| Copano Energy LLC, 7.13%, 4/01/21                                      | 465          | 485,925    |
| Crosstex Energy LP:  |              |            |
| 8.88%, 2/15/18   | 280          | 298,900    |
| 7.13%, 6/01/22 (d)   | 235          | 233,825    |
| Crown Oil Partners IV LP, 15.00%, 3/07/15                              | 929          | 929,023    |
| Denbury Resources, Inc., 8.25%, 2/15/20                                | 70           | 79,450     |
| Energy XXI Gulf Coast, Inc.:   |              |            |
| 9.25%, 12/15/17  | 860          | 958,900    |
| 7.75%, 6/15/19   | 1,390        | 1,476,875  |
| EP Energy LLC/EP Energy Finance, Inc., 6.88%,<br>5/01/19 (d)           | 535          | 573,787    |
| EP Energy LLC/Everest Acquisition Finance, Inc.,<br>7.75%, 9/01/22 (d) | 325          | 325,813    |
| EV Energy Partners LP, 8.00%, 4/15/19                                  | 220          | 227,150    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (d)                                | 1,165        | 1,281,500  |
| Holly Energy Partners LP, 6.50%, 3/01/20 (d)                           | 245          | 256,025    |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (d)                            | 540          | 573,750    |
| Linn Energy LLC:   |              |            |
| 6.50%, 5/15/19 (d)   | 145          | 144,275    |
| 6.25%, 11/01/19 (d)  | 3,150        | 3,110,625  |
| 8.63%, 4/15/20   | 345          | 372,600    |
| 7.75%, 2/01/21   | 320          | 333,600    |
| MarkWest Energy Partners LP:   |              |            |
| 6.25%, 6/15/22   | 125          | 132,813    |
| 5.50%, 2/15/23   | 350          | 357,875    |
| Newfield Exploration Co., 6.88%, 2/01/20                               | 1,205        | 1,316,462  |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 (d)                         | 480          | 489,600    |
| Oasis Petroleum, Inc.:   |              |            |
| 7.25%, 2/01/19   | 410          | 432,550    |
| 6.50%, 11/01/21  | 450          | 459,000    |
| Offshore Group Investments Ltd.:                                       |              |            |
| 11.50%, 8/01/15 (d)  | 2,060        | 2,276,300  |
| 11.50%, 8/01/15  | 505          | 558,025    |
| OGX Petroleo e Gas Participações SA (d):                               |              |            |
| 8.50%, 6/01/18   | 3,760        | 3,337,000  |
| 8.38%, 4/01/22   | 885          | 752,250    |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (d)                                | 460          | 480,700    |

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|  |       |           |
|--|-------|-----------|
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (d)              | 1,860 | 1,901,850 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (d)          | 690   | 736,575   |
| Pioneer Natural Resources Co.:                           |       |           |
| 6.88%, 5/01/18   | 715   | 865,650   |
| 7.50%, 1/15/20   | 225   | 281,401   |
| Range Resources Corp.:                                   |       |           |
| 8.00%, 5/15/19   | 600   | 663,000   |
| 5.75%, 6/01/21   | 1,520 | 1,616,900 |
| 5.00%, 8/15/22   | 644   | 670,565   |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16 | 945   | 1,011,150 |
| Samson Investment Co., 9.75%, 2/15/20 (d)                | 134   | 138,020   |
| SandRidge Energy, Inc.:                                  |       |           |
| 7.50%, 3/15/21 (d)                                       | 1,060 | 1,073,250 |
| 7.50%, 3/15/21   | 395   | 399,937   |
| 8.13%, 10/15/22 (d)                                      | 395   | 412,775   |
| 7.50%, 2/15/23 (d)                                       | 860   | 864,300   |
| SESI LLC:  |       |           |
| 6.38%, 5/01/19   | 505   | 535,300   |
| 7.13%, 12/15/21  | 360   | 400,500   |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                     |              |            |
| SM Energy Co.:   |              |            |
| 6.63%, 2/15/19   | USD 205      | \$ 214,225 |
| 6.50%, 11/15/21  | 405          | 423,225    |
| 6.50%, 1/01/23 (d)   | 190          | 198,075    |
| Vanguard Natural Resources, 7.88%, 4/01/20                             | 420          | 420,000    |
|  |              | 47,400,061 |
| <b>Paper &amp; Forest Products 1.6%</b>                                |              |            |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d)                      | 1,976        | 1,797,780  |
| Boise Paper Holdings LLC:  |              |            |
| 9.00%, 11/01/17  | 90           | 99,675     |
| 8.00%, 4/01/20   | 180          | 198,900    |
| Clearwater Paper Corp.:  |              |            |
| 10.63%, 6/15/16  | 625          | 698,438    |
| 7.13%, 11/01/18  | 885          | 966,862    |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (d)          | 535          | 553,725    |
| NewPage Corp., 11.38%, 12/31/14 (a)(h)                                 | 3,350        | 2,269,625  |
| Sappi Papier Holding GmbH, 8.38%, 6/15/19 (d)                          | 200          | 210,500    |
|  |              | 6,795,505  |
| <b>Pharmaceuticals 1.0%</b>  |              |            |
| Capsugel Finance Co. SCA:  |              |            |
| 9.88%, 8/01/19   | EUR 105      | 147,587    |
| 9.88%, 8/01/19 (d)   | 300          | 421,678    |
| Pharmaceutical Product Development, Inc.,<br>9.50%, 12/01/19 (d)       | USD 545      | 607,675    |
| Spectrum Brands, Inc., 6.75%, 3/15/20 (d)                              | 400          | 420,000    |
| Valeant Pharmaceuticals<br>International (d):                          |              |            |
| 6.50%, 7/15/16   | 1,915        | 2,020,325  |
| 6.75%, 8/15/21   | 880          | 893,200    |
|  |              | 4,510,465  |
| <b>Professional Services 0.4%</b>                                      |              |            |
| FTI Consulting, Inc., 6.75%, 10/01/20                                  | 1,450        | 1,547,875  |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                      |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                                      | 1,875        | 2,010,937  |
| The Rouse Co. LP, 6.75%, 11/09/15                                      | 805          | 848,269    |
|  |              | 2,859,206  |
| <b>Real Estate Management &amp; Development 2.3%</b>                   |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20                                   | 520          | 568,100    |
| Crescent Resources LLC/Crescent Ventures, Inc.,<br>10.25%, 8/15/17 (d) | 1,100        | 1,127,500  |
| Forest City Enterprises, Inc., 7.63%, 6/01/15                          | 687          | 683,136    |
| Realogy Corp.:   |              |            |
| 11.50%, 4/15/17  | 605          | 642,812    |
| 12.00%, 4/15/17  | 155          | 162,363    |
| 7.88%, 2/15/19 (d)   | 3,160        | 3,254,800  |
| 7.63%, 1/15/20 (d)   | 785          | 855,650    |
| 9.00%, 1/15/20 (d)   | 510          | 550,800    |
| Shea Homes LP, 8.63%, 5/15/19  | 1,885        | 2,097,062  |
|  |              | 9,942,223  |

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**Road & Rail 1.3%**

|  |         |           |
|--|---------|-----------|
| Florida East Coast Railway Corp., 8.13%, 2/01/17 | 650     | 682,500   |
| The Hertz Corp.:                                 |         |           |
| 7.50%, 10/15/18                                  | 855     | 922,331   |
| 6.75%, 4/15/19 (d)                               | 450     | 472,500   |
| 7.38%, 1/15/21                                   | 640     | 696,000   |
| Hertz Holdings Netherlands BV:                   |         |           |
| 8.50%, 7/31/15                                   | EUR 239 | 326,167   |
| 8.50%, 7/31/15 (d)                               | 1,749   | 2,386,883 |
|  |         | 5,486,381 |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Semiconductors &amp; Semiconductor</b>                        |              |            |
| <b>Equipment 0.2%</b>  |              |            |
| Spanision LLC, 7.88%, 11/15/17                                   | USD 890      | \$ 867,750 |
| <b>Software 1.3%</b>   |              |            |
| Audatex North America, Inc., 6.75%, 6/15/18 (d)                  | 810          | 868,725    |
| Infor US, Inc. (FKA Lawson Fortune, Inc.), 9.38%,<br>4/01/19 (d) | 2,560        | 2,771,200  |
| Nuance Communications, Inc., 5.38%, 8/15/20 (d)                  | 1,360        | 1,390,600  |
| Sophia LP, 9.75%, 1/15/19 (d)                                    | 666          | 715,950    |
|  |              | 5,746,475  |
| <b>Specialty Retail 2.8%</b>                                     |              |            |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20                   | 565          | 624,325    |
| Claire's Stores, Inc., 9.00%, 3/15/19 (d)                        | 765          | 793,687    |
| House of Fraser Funding Plc:                                     |              |            |
| 8.88%, 8/15/18 (d)   | GBP 439      | 619,518    |
| 8.88%, 8/15/18   | 222          | 313,287    |
| Limited Brands, Inc.:  |              |            |
| 8.50%, 6/15/19   | USD 1,255    | 1,506,000  |
| 5.63%, 2/15/22   | 250          | 263,125    |
| Party City Holdings, Inc., 8.88%, 8/01/20 (d)                    | 1,222        | 1,292,265  |
| Penske Automotive Group, Inc., 5.75%,<br>10/01/22 (d)            | 835          | 851,700    |
| Phones4u Finance Plc, 9.50%, 4/01/18 (d)                         | GBP 570      | 873,397    |
| QVC, Inc. (d):   |              |            |
| 7.13%, 4/15/17   | USD 355      | 375,491    |
| 7.50%, 10/01/19  | 970          | 1,074,774  |
| 7.38%, 10/15/20  | 455          | 506,993    |
| 5.13%, 7/02/22   | 662          | 693,871    |
| Sally Holdings LLC:  |              |            |
| 6.88%, 11/15/19  | 840          | 938,700    |
| 5.75%, 6/01/22   | 670          | 721,088    |
| Sonic Automotive, Inc., 9.00%, 3/15/18                           | 580          | 633,650    |
|  |              | 12,081,871 |
| <b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>                 |              |            |
| Levi Strauss & Co., 6.88%, 5/01/22                               | 675          | 700,312    |
| <b>Trading Companies &amp; Distributors 0.7%</b>                 |              |            |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (d)                        | 765          | 795,600    |
| Doric Nimrod Air Finance Alpha Ltd.,<br>Series 2012-1 (d):       |              |            |
| Class A, 5.13%, 11/30/24   | 1,200        | 1,218,000  |
| Class B, 6.50%, 5/30/21  | 900          | 910,638    |
|  |              | 2,924,238  |
| <b>Transportation Infrastructure 0.2%</b>                        |              |            |
| Aguila 3 SA, 7.88%, 1/31/18 (d)                                  | 665          | 700,744    |
| <b>Wireless Telecommunication Services 4.2%</b>                  |              |            |
| Cricket Communications, Inc.:                                    |              |            |
| 7.75%, 5/15/16   | 830          | 875,650    |
| 7.75%, 10/15/20  | 345          | 334,650    |

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|  |               |       |             |
|--|---------------|-------|-------------|
| Digicel Group Ltd. (d):                          |               |       |             |
| 9.13%, 1/15/15                                   |               | 2,864 | 2,892,640   |
| 8.25%, 9/01/17                                   |               | 1,720 | 1,823,200   |
| 10.50%, 4/15/18                                  |               | 1,490 | 1,609,200   |
| Matterhorn Mobile Holdings SA, 8.25%, 2/15/20    | EUR           | 296   | 403,024     |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20         | USD           | 1,210 | 1,252,350   |
| NII Capital Corp., 7.63%, 4/01/21                |               | 539   | 416,378     |
| SBA Telecommunications, Inc., 5.75%, 7/15/20 (d) |               | 443   | 462,935     |
| Sprint Capital Corp., 6.88%, 11/15/28            |               | 2,821 | 2,553,005   |
| Sprint Nextel Corp. (d):                         |               |       |             |
| 9.00%, 11/15/18                                  |               | 2,760 | 3,256,800   |
| 7.00%, 3/01/20                                   |               | 2,060 | 2,255,700   |
|  |               |       | 18,135,532  |
| <b>Total Corporate Bonds</b>                     | <b>104.6%</b> |       | 455,877,340 |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (c)</b>   |              |            |
| <b>Airlines 0.2%</b>  |              |            |
| Delta Air Lines, Inc., Term Loan B, 5.50%, 4/20/17                                    | USD 653      | \$ 657,704 |
| <b>Auto Components 0.6%</b>   |              |            |
| Federal-Mogul Corp., Term Loan B, 2.17%,<br>12/29/14                                  | 1,741        | 1,661,344  |
| Schaeffler AG, Term Loan C2, 6.00%, 1/27/17   | 765          | 767,234    |
|   |              | 2,428,578  |
| <b>Building Products 0.2%</b>   |              |            |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17                     | 764          | 773,663    |
| <b>Capital Markets 0.7%</b>   |              |            |
| American Capital Holdings, Term Loan, 5.50%,<br>7/19/16                               | 1,255        | 1,259,706  |
| Nuveen Investments, Inc.:   |              |            |
| Incremental Term Loan, 7.25%, 5/13/17   | 1,045        | 1,049,703  |
| Second Lien Term Loan, 8.25%, 2/28/19   | 640          | 644,000    |
|   |              | 2,953,409  |
| <b>Chemicals 0.7%</b>   |              |            |
| Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19                                     | 265          | 267,486    |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%,<br>5/04/18                             | 1,776        | 1,778,142  |
| PQ Corp. (FKA Niagara Acquisition, Inc.),<br>Term Loan B, 3.98%, 7/30/14              | 325          | 318,975    |
| Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17  | 534          | 497,129    |
|   |              | 2,861,732  |
| <b>Commercial Services &amp; Supplies 0.8%</b>  |              |            |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>5.25%, 6/10/16                          | 742          | 741,375    |
| Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16                                    | 975          | 984,750    |
| Volume Services America, Inc., Term Loan B,<br>10.50% 10.75%, 9/16/16                 | 1,572        | 1,572,000  |
|   |              | 3,298,125  |
| <b>Communications Equipment 0.8%</b>  |              |            |
| Avaya, Inc., Term Loan B1, 3.18%, 10/24/14  | 393          | 377,206    |
| Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19  | 3,210        | 3,257,155  |
|   |              | 3,634,361  |
| <b>Construction &amp; Engineering 0.7%</b>  |              |            |
| Safeway Services LLC, Mezzanine Loan, 15.63%,<br>12/16/17                             | 3,250        | 3,250,000  |
| <b>Construction Materials 0.4%</b>  |              |            |
| HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17                                       | 1,730        | 1,767,489  |
| <b>Consumer Finance 1.7%</b>  |              |            |
| Springleaf Financial Funding Co. (FKA AGFS<br>Funding Co.), Term Loan, 5.50%, 5/10/17 | 7,825        | 7,556,994  |
| <b>Diversified Consumer Services 0.1%</b>   |              |            |
| Laureate Education, Inc., Extended Term Loan,<br>5.25%, 6/18/18                       | 224          | 218,364    |
| ServiceMaster Co.:  |              |            |
| Delayed Draw Term Loan, 2.74%, 7/24/14  | 13           | 12,860     |
| Term Loan, 2.75% 2.97%, 7/24/14   | 130          | 129,139    |
|   |              | 360,363    |

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**Diversified Financial Services 0.5%**

|                                   |       |           |
|-----------------------------------|-------|-----------|
| Residential Capital LLC:          |       |           |
| DIP Term Loan A1, 5.00%, 11/18/13 | 1,935 | 1,939,837 |
| DIP Term Loan A2, 6.75%, 11/18/13 | 285   | 288,326   |
|                                   |       | 2,228,163 |

|  |              |              |
|--|--------------|--------------|
|  | <b>Par</b>   |              |
|  | <b>(000)</b> | <b>Value</b> |

**Floating Rate Loan Interests (c)**

**Diversified Telecommunication Services 0.5%**

|                                  |         |            |
|----------------------------------|---------|------------|
| Level 3 Financing, Inc.:         |         |            |
| 2016 Term Loan B, 4.75%, 2/01/16 | USD 515 | \$ 516,030 |
| 2019 Term Loan B, 5.25%, 8/01/19 | 420     | 420,613    |
| Term Loan B3, 5.75%, 8/31/18     | 1,300   | 1,303,432  |
|                                  |         | 2,240,075  |

**Electronic Equipment, Instruments & Components 0.1%**

|   |     |         |
|---|-----|---------|
| CDW LLC, Extended Term Loan, 4.00%, 7/14/17 | 428 | 423,022 |
|---|-----|---------|

**Energy Equipment & Services 2.2%**

|   |       |           |
|---|-------|-----------|
| Dynegy Midwest Generation LLC, Coal Co.               |       |           |
| Term Loan, 9.25%, 8/04/16                             | 3,068 | 3,182,903 |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16   | 5,616 | 5,878,663 |
| Tervita Corp., Incremental Term Loan, 6.50%, 10/17/14 | 423   | 422,524   |
|   |       | 9,484,090 |

**Food & Staples Retailing 0.0%**

|  |     |         |
|--|-----|---------|
| US Foods, Inc. (FKA US Foodservice, Inc.), |     |         |
| Extended Term Loan B, 5.75%, 3/31/17       | 119 | 114,742 |

**Food Products 0.3%**

|  |       |           |
|--|-------|-----------|
| Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 9/29/17 |       |           |
|  | 1,300 | 1,307,800 |

**Health Care Equipment & Supplies 0.5%**

|   |       |           |
|---|-------|-----------|
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19    |       |           |
|   | 740   | 742,464   |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19    |       |           |
|   | 1,177 | 1,181,464 |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18 |       |           |
|   | 435   | 438,263   |
|   |       | 2,362,191 |

**Health Care Providers & Services 0.5%**

|   |       |           |
|---|-------|-----------|
| Harden Healthcare LLC:                                    |       |           |
| Add on Term Loan A, 7.75%, 3/02/15                        | 664   | 643,731   |
| Term Loan A, 8.50%, 3/02/15                               | 514   | 504,009   |
| inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16 | 1,069 | 994,998   |
|   |       | 2,142,738 |

**Hotels, Restaurants & Leisure 1.2%**

|   |       |           |
|---|-------|-----------|
| Caesars Entertainment Operating Co., Inc.:                  |       |           |
| Extended Term Loan B6, 5.49%, 1/26/18                       | 315   | 276,904   |
| Incremental Term Loan B4, 9.50%, 10/31/16                   | 751   | 765,961   |
| Term Loan B1, 3.24%, 1/28/15                                | 629   | 596,636   |
| Term Loan B2, 3.24%, 1/28/15                                | 693   | 657,580   |
| Term Loan B3, 3.24% 3.46%, 1/28/15                          | 1,507 | 1,428,755 |
| OSI Restaurant Partners LLC:                                |       |           |
| Revolver, 2.49% 2.56%, 6/14/13                              | 15    | 14,699    |
| Term Loan B, 2.56%, 6/14/14                                 | 149   | 148,147   |
| Sabre, Inc., Non-Extended Initial Term Loan, 2.23%, 9/30/14 |       |           |
|   | 99    | 97,590    |
| Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16         |       |           |
|   | 1,343 | 1,276,246 |
| Travelport LLC:   |       |           |
|   | 298   | 89,457    |

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Extended Tranche A Term Loan, 6.44%,  
9/28/12

Extended Tranche B Term Loan, 13.94%,  
12/01/16

961 76,909

5,428,884

**Industrial Conglomerates 0.1%**

Sequa Corp.:

Incremental Term Loan, 6.25%, 12/03/14

278 278,296

Term Loan, 3.69% 3.72%, 12/03/14

235 233,386

511,682

See Notes to Financial Statements.

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## Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (c)</b>                               |              |            |
| <b>IT Services 0.3%</b>   |              |            |
| Ceridian Corp., Extended Term Loan, 5.99%,<br>5/09/17                 | USD 107      | \$ 106,839 |
| First Data Corp., Extended 2018 Term Loan B,<br>4.24%, 3/23/18        | 1,220        | 1,151,887  |
|   |              | 1,258,726  |
| <b>Leisure Equipment &amp; Products 0.2%</b>                          |              |            |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/19/13                 | 1,013        | 1,003,506  |
| <b>Machinery 0.5%</b>   |              |            |
| Navistar International Corp., Term Loan B, 7.00%,<br>8/17/17          | 1,046        | 1,051,108  |
| Rexnord Corp., Term Loan B, 5.00%, 4/02/18                            | 915          | 918,997    |
|   |              | 1,970,105  |
| <b>Media 4.8%</b>   |              |            |
| Affinion Group, Inc., Term Loan B, 5.00%, 7/16/15                     | 69           | 58,842     |
| Cengage Learning Acquisitions, Inc.:                                  |              |            |
| Non-Extended Term Loan, 2.49%, 7/03/14                                | 497          | 457,911    |
| Tranche 1 Incremental, 7.50%, 7/03/14                                 | 2,640        | 2,541,000  |
| Cequel Communications LLC, Term Loan B, 4.00%,<br>2/14/19             | 738          | 736,615    |
| Clear Channel Communications, Inc.:                                   |              |            |
| Term Loan B, 3.88%, 1/28/16   | 2,993        | 2,317,669  |
| Term Loan C, 3.88%, 1/28/16   | 598          | 454,885    |
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18             | 675          | 679,556    |
| Intelsat Jackson Holdings SA, Tranche B Term Loan,<br>5.25%, 4/02/18  | 9,826        | 9,857,906  |
| Interactive Data Corp., Term Loan B, 4.50%,<br>2/12/18                | 635          | 635,436    |
| Newsday LLC, Fixed Rate Term Loan, 10.50%,<br>8/01/13                 | 2,450        | 2,463,279  |
| Univision Communications, Inc., Extended Term Loan,<br>4.48%, 3/31/17 | 468          | 451,984    |
|   |              | 20,655,083 |
| <b>Metals &amp; Mining 0.1%</b>                                       |              |            |
| Constellium Holdco BV, Term Loan B, 9.25%,<br>5/25/18                 | 660          | 646,800    |
| <b>Multiline Retail 0.4%</b>  |              |            |
| HEMA Holding BV, Mezzanine, 8.64%, 7/05/17                            | EUR 1,731    | 1,807,502  |
| <b>Oil, Gas &amp; Consumable Fuels 0.8%</b>                           |              |            |
| Chesapeake Energy Corp., Unsecured Term Loan,<br>8.50%, 12/01/17      | USD 1,845    | 1,848,967  |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15             | 1,561        | 1,560,799  |
|   |              | 3,409,766  |
| <b>Paper &amp; Forest Products 0.6%</b>                               |              |            |
| Ainsworth Lumber Co. Ltd., Term Loan, 5.25%,<br>6/26/14               | 605          | 585,338    |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13                          | 950          | 958,911    |
|   | 2,314        | 1,157,214  |

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|  |     |                      |    |              |
|--|-----|----------------------|----|--------------|
| Verso Paper Finance Holdings LLC, Term Loan,<br>6.50% 7.24%, 2/01/13       |     |                      |    | 2,701,463    |
| <b>Pharmaceuticals 0.5%</b>  |     |                      |    |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                          |     | 1,478                |    | 1,471,960    |
| Pharmaceutical Product Development, Inc.,<br>Term Loan B, 6.25%, 12/05/18  |     | 487                  |    | 492,529      |
|  |     |                      |    | 1,964,489    |
|  |     |                      |    |              |
| <b>Floating Rate Loan Interests (c)</b>                                    |     |                      |    |              |
|  |     | <b>Par<br/>(000)</b> |    | <b>Value</b> |
| <b>Professional Services 0.1%</b>  |     |                      |    |              |
| Truven Health Analytics, Term Loan B, 6.75%,<br>6/06/19                    | USD | 575                  | \$ | 579,071      |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                          |     |                      |    |              |
| iStar Financial, Inc., Term Loan A1, 5.00%,<br>6/28/13                     |     | 2,340                |    | 2,341,899    |
| <b>Real Estate Management &amp; Development 0.4%</b>                       |     |                      |    |              |
| Realogy Corp.:   |     |                      |    |              |
| Extended Letter of Credit Loan, 4.50%,<br>10/10/16                         |     | 166                  |    | 159,839      |
| Extended Term Loan, 4.49%, 10/10/16  |     | 1,173                |    | 1,132,330    |
| Stockbridge SBE Holdings LLC, Term Loan B,<br>13.00%, 5/02/17              |     | 285                  |    | 283,575      |
|  |     |                      |    | 1,575,744    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>                   |     |                      |    |              |
| NXP BV, Term Loan A-2, 5.50%, 3/03/17                                      |     | 104                  |    | 105,715      |
| <b>Software 0.4%</b>   |     |                      |    |              |
| Infor US, Inc. (FKA Lawson Software, Inc.),<br>Term Loan B, 6.25%, 4/05/18 |     | 1,900                |    | 1,919,772    |
| <b>Specialty Retail 0.1%</b>   |     |                      |    |              |
| Claire's Stores, Inc., Term Loan B, 2.98% 3.20%,<br>5/29/14                |     | 601                  |    | 589,495      |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                           |     |                      |    |              |
| Ascend Performance Materials LLC, Term Loan B,<br>6.75%, 4/10/18           |     | 1,746                |    | 1,729,618    |
| <b>Wireless Telecommunication Services 1.0%</b>                            |     |                      |    |              |
| Crown Castle International Corp., Term Loan B,<br>4.00%, 1/31/19           |     | 99                   |    | 98,815       |
| Vodafone Americas Finance 2, Inc., Term Loan B,<br>6.25%, 7/11/16 (b)      |     | 4,022                |    | 4,102,313    |
|  |     |                      |    | 4,201,128    |
| <b>Total Floating Rate Loan Interests 23.9%</b>                            |     |                      |    | 104,245,687  |

|  |  |  |  |     |
|--|--|--|--|-----|
|  |  |  |  |     |
|  |  |  |  |     |
| <b>Other Interests (j)</b>                               |  |  |  |     |
|  |  | <b>Beneficial<br/>Interest<br/>(000)</b> |  |     |
| <b>Chemicals 0.0%</b>                                    |  |  |  |     |
| Wellman Holdings, Inc., Litigation Trust Certificate (a) |  | 4,870                                    |  | 49  |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |  |  |  |     |
| Buffets, Inc. (a)  |  | 950                                      |  | 9   |
| <b>Media 0.0%</b>  |  |  |  |     |
| Adelphia Escrow  |  | 1,300                                    |  | 13  |
| Adelphia Recovery Trust (a)                              |  | 1,630                                    |  | 163 |
|  |  |  |  | 176 |
| <b>Total Other Interests 0.0%</b>                        |  |  |  | 234 |



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| Preferred Securities                          |  | Par           |
|---|--|---------------|
| Capital Trusts 0.2%                           |  | (000)         |
| Insurance 0.2%                                |  |               |
| Genworth Financial, Inc., 6.15%, 11/15/66 (c) |  | 1,335 801,000 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Shares  | Value          |
|--|---------|----------------|
| <b>Preferred Stocks</b>  |         |                |
| <b>Auto Components 0.4%</b>  |         |                |
| Dana Holding Corp., 4.00% (d)(e)   | 12,760  | \$ 1,491,325   |
| <b>Diversified Financial Services 1.4%</b>   |         |                |
| Ally Financial, Inc., 7.00% (d)  | 6,825   | 6,214,802      |
| <b>Thriffs &amp; Mortgage Finance 0.0%</b>   |         |                |
| Fannie Mae, Series O, 7.00% (a)  | 40,000  | 48,000         |
| Freddie Mac, Series Z, 8.38% (a)   | 110,157 | 102,446        |
|  |         | 150,446        |
| <b>Total Preferred Stocks 1.8%</b>   |         | 7,856,573      |
| <b>Trust Preferreds</b>  |         |                |
| <b>Diversified Financial Services 0.8%</b>   |         |                |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c)   | 119,490 | 2,952,932      |
| RBS Capital Funding Trust VII, 6.08% (a)(c)(h)(k)  | 44,200  | 757,588        |
| <b>Total Trust Preferreds 0.8%</b>   |         | 3,710,520      |
| <b>Total Preferred Securities 2.8%</b>   |         | 12,368,093     |
| <b>Warrants (l)</b>  |         |                |
| <b>Health Care Providers &amp; Services 0.0%</b>   |         |                |
| HealthSouth Corp. (Expires 1/16/14)  | 54,577  | 1              |
| <b>Media 0.0%</b>  |         |                |
| New Vision Holdings LLC (Expires 9/30/14)  | 26,189  |                |
| <b>Software 0.0%</b>   |         |                |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17)   | 525     |                |
| HMH Holdings/EduMedia (Issued/Exercisable<br>3/09/10, 19 Shares for 1 Warrant, Expires<br>6/22/19, Strike Price \$42.27) | 1,835   |                |
| <b>Total Warrants 0.0%</b>   |         | 1              |
| <b>Total Investments (Cost \$594,142,867) 139.6%</b>   |         | 608,749,814    |
| <b>Liabilities in Excess of Other Assets (39.6)%</b>   |         | (172,794,791)  |
| <b>Net Assets 100.0%</b>   |         | \$ 435,955,023 |

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

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| Counterparty              | Value        | Unrealized<br>Appreciation |
|---------------------------|--------------|----------------------------|
| Goldman Sachs Group, Inc. | \$ 2,532,262 | \$ 31,263                  |

- (h) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (i) All or a portion of security has been pledged as collateral in connection with swaps.
- (j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (k) Security is perpetual in nature and has no stated maturity date.
- (l) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>August 31,<br>2012 | Income |
|--|--------------------------------------|-----------------|--------------------------------------|--------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 941,235                              | (941,235)       |                                      | \$ 991 |

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

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

| Contracts | Issue                   | Exchange              | Expiration        | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-------------------------|-----------------------|-------------------|-------------------|----------------------------|
| 182       | S&P 500<br>E-Mini Index | Chicago<br>Mercantile | September<br>2012 | USD 12,786,410    | \$ (879,524)               |

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

| Currency<br>Purchased | Currency<br>Sold | Counterparty     | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|------------------|--------------------|--|
| GBP 140,000           | USD 220,061      | Citigroup, Inc.  | 10/17/12           | \$ 2,205                                     |
| GBP 256,000           | USD 401,064      | Citigroup, Inc.  | 10/17/12           | 5,365  |
| USD 115,144           | AUD 114,000      | Citigroup, Inc.  | 10/17/12           | (2,175)                                      |
| USD 200,385           | AUD 197,000      | UBS AG           | 10/17/12           | (2,351)                                      |
| USD 4,951,372         | CAD 5,028,500    | UBS AG           | 10/17/12           | (145,216)                                    |
| USD 517,032           | GBP 330,000      | Citigroup, Inc.  | 10/17/12           | (6,881)                                      |
| USD 152,004           | GBP 97,000       | Citigroup, Inc.  | 10/17/12           | (1,995)                                      |
| USD 142,615           | GBP 92,000       | Deutsche Bank AG | 10/17/12           | (3,446)                                      |
| USD 5,660,029         | GBP 3,646,000    | UBS AG           | 10/17/12           | (128,422)                                    |
| USD 426,542           | GBP 275,000      | UBS AG           | 10/17/12           | (10,053)                                     |
| USD 144,270           | GBP 93,000       | UBS AG           | 10/17/12           | (3,379)                                      |
| USD 61,158            | GBP 39,000       | UBS AG           | 10/17/12           | (759)  |

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|              |            |     |            |                                     |          |                |
|--------------|------------|-----|------------|-------------------------------------|----------|----------------|
| EUR          | 175,000    | USD | 213,055    | Citigroup, Inc.                     | 10/22/12 | 7,174          |
| EUR          | 390,000    | USD | 483,296    | Citigroup, Inc.                     | 10/22/12 | 7,499          |
| EUR          | 1,000,000  | USD | 1,224,283  | Citigroup, Inc.                     | 10/22/12 | 34,166         |
| USD          | 30,263,810 | EUR | 24,685,000 | Citigroup, Inc.                     | 10/22/12 | (800,994)      |
| USD          | 869,708    | EUR | 700,000    | Citigroup, Inc.                     | 10/22/12 | (11,206)       |
| USD          | 256,913    | EUR | 209,000    | Citigroup, Inc.                     | 10/22/12 | (6,103)        |
| USD          | 24,749     | EUR | 20,000     | Citigroup, Inc.                     | 10/22/12 | (420)          |
| USD          | 122,847    | EUR | 99,000     | Royal Bank of<br>Scotland Group Plc | 10/22/12 | (1,740)        |
| USD          | 585,153    | EUR | 474,000    | UBS AG                              | 10/22/12 | (11,351)       |
| USD          | 377,625    | EUR | 306,000    | UBS AG                              | 10/22/12 | (7,460)        |
| USD          | 192,990    | EUR | 157,000    | UBS AG                              | 10/22/12 | (4,586)        |
| <b>Total</b> |            |     |            |                                     |          | \$ (1,092,128) |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

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

| Issuer                    | Pay Fixed Rate | Counterparty     | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------|------------------|-----------------|-----------------------|--|
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 160               | \$ (11,861)                            |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 135               | (11,087)                               |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 260               | (18,522)                               |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 140               | (7,147)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 135               | (7,736)                                |
| Republic of Hungary       | 1.00%          | Deutsche Bank AG | 12/20/15        | USD 470               | 8,548                                  |
| Israel (State of)         | 1.00%          | Deutsche Bank AG | 3/20/17         | USD 350               | (7,845)                                |
| Israel (State of)         | 1.00%          | Deutsche Bank AG | 3/20/17         | USD 1,050             | (24,193)                               |
| <b>Total</b>              |                |                  |                 |                       | \$ (79,843)                            |

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

| Issuer                           | Receive Fixed Rate | Counterparty              | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|----------------------------------|--------------------|---------------------------|-----------------|-----------------------------------|------------------------------------|-------------------------|
| Air Lease Corp.                  | 5.00%              | Goldman Sachs Group, Inc. | 2/14/13         | Not Rated                         | USD 800                            | \$ 13,264               |
| CIT Group, Inc.                  | 5.00%              | Deutsche Bank AG          | 9/20/15         | BB                                | USD 5,000                          | 650,314                 |
| ARAMARK Corp.                    | 5.00%              | Goldman Sachs Group, Inc. | 3/20/16         | B                                 | USD 750                            | 62,823                  |
| ARAMARK Corp.                    | 5.00%              | Goldman Sachs Group, Inc. | 6/20/16         | B                                 | USD 475                            | 40,119                  |
| ARAMARK Corp.                    | 5.00%              | Goldman Sachs Group, Inc. | 6/20/16         | B                                 | USD 475                            | 42,751                  |
| ARAMARK Corp.                    | 5.00%              | Credit Suisse Group AG    | 9/20/16         | B                                 | USD 200                            | 23,894                  |
| ARAMARK Corp.                    | 5.00%              | Goldman Sachs Group, Inc. | 9/20/16         | B                                 | USD 450                            | 39,429                  |
| ARAMARK Corp.                    | 5.00%              | Goldman Sachs Group, Inc. | 9/20/16         | B                                 | USD 200                            | 23,236                  |
| ARAMARK Corp.                    | 5.00%              | Deutsche Bank AG          | 3/20/17         | B                                 | USD 305                            | 20,133                  |
| Crown Castle International Corp. | 7.25%              | Deutsche Bank AG          | 3/20/17         | B                                 | USD 720                            | 10,262                  |
| Ford Motor Co.                   | 5.00%              | Deutsche Bank AG          | 3/20/17         | BB+                               | USD 2,200                          | 96,904                  |
|                                  | 5.00%              |                           | 6/20/17         | B+                                | USD 480                            | 22,367                  |



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significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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## Consolidated Schedule of Investments (continued)

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

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

|                              | Level 1       | Level 2        | Level 3       | Total          |
|------------------------------|---------------|----------------|---------------|----------------|
| <b>Assets:</b>               |               |                |               |                |
| Investments:                 |               |                |               |                |
| Long-Term Investments:       |               |                |               |                |
| Common Stocks                | \$ 28,170,818 | \$ 1,082,501   | \$ 7,005,140  | \$ 36,258,459  |
| Corporate Bonds              |               | 450,952,419    | 4,924,921     | 455,877,340    |
| Floating Rate Loan Interests |               | 84,784,618     | 19,461,069    | 104,245,687    |
| Other Interests              | 163           |                | 71            | 234            |
| Preferred Securities         | 3,860,966     | 8,507,127      |               | 12,368,093     |
| Warrants                     |               |                | 1             | 1              |
| <b>Total</b>                 | \$ 32,031,947 | \$ 545,326,665 | \$ 31,391,202 | \$ 608,749,814 |

|   | Level 1      | Level 2      | Level 3    | Total        |
|---|--------------|--------------|------------|--------------|
| Derivative Financial Instruments <sup>1</sup> |              |              |            |              |
| <b>Assets:</b>                                |              |              |            |              |
| Credit contracts                              |              | \$ 441,560   | \$ 869,356 | \$ 1,310,916 |
| Foreign currency exchange contracts           |              | 56,409       |            | 56,409       |
| <b>Liabilities:</b>                           |              |              |            |              |
| Credit contracts                              |              | (97,701)     |            | (97,701)     |
| Equity contracts                              | \$ (879,524) |              |            | (879,524)    |
| Foreign currency exchange contracts           |              | (1,148,537)  |            | (1,148,537)  |
| <b>Total</b>                                  | \$ (879,524) | \$ (748,269) | \$ 869,356 | \$ (758,437) |

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

|  | Level 1      | Level 2 | Level 3 | Total        |
|--|--------------|---------|---------|--------------|
| <b>Assets:</b>   |              |         |         |              |
| Cash   | \$ 1,867,598 |         |         | \$ 1,867,598 |
| Foreign currency at value                                  | 550,512      |         |         | 550,512      |
| Cash pledged as collateral for financial futures contracts | 765,000      |         |         | 765,000      |
| Cash pledged as collateral for swaps                       | 400,000      |         |         | 400,000      |



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**Liabilities:**

|                                       |    |           |               |               |               |               |
|---------------------------------------|----|-----------|---------------|---------------|---------------|---------------|
| Cash received as collateral for swaps |    | \$        | (600,000)     |               | (600,000)     |               |
| Loan payable                          |    |           | (181,000,000) |               | (181,000,000) |               |
| <b>Total</b>                          | \$ | 3,583,110 | \$            | (181,600,000) | \$            | (178,016,890) |

Prior to February 29, 2012, only significant transfers between Level 1 and Level 2 were required to be disclosed. There were no significant transfers from the beginning of the period to February 29, 2012. For the interim period March 1, 2012 through August 31, 2012, all transfers between Level 1 and Level 2 are required to be disclosed. As of February 29, 2012, the Trust used observable inputs in determining the value of certain equity securities. During the year, the Trust began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$11,090,417 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

|                              | Value         | Valuation Techniques        | Unobservable Inputs <sup>2</sup> | Range of Unobservable Inputs | Weighted Average of Unobservable Inputs <sup>3</sup> |
|------------------------------|---------------|-----------------------------|----------------------------------|------------------------------|--|
| <b>Assets:</b>               |               |                             |                                  |                              |  |
| Common Stocks                | \$ 7,005,132  | Market Comparable Companies | EBITDA Multiple                  | 5.9x                         | 5.9x   |
|                              |               | Cost                        | Forward EBITDA Multiple          | 4.6x                         | 4.6x   |
| Corporate Bonds              | 4,523,611     | Market Comparable Companies | Yield                            | 9.67%                        | 9.67%  |
|                              |               | Cost                        | EBITDA Multiple                  | 6.0x                         | 6.0x   |
| Floating Rate Loan Interests | 5,554,954     | Market Comparable Companies | Illiquidity Discount             | 50%                          | 50%  |
|                              |               | Cost                        | Yield                            | 9.65%                        | 9.65%  |
|                              |               |                             | N/A <sup>4</sup>                 |                              |  |
| <b>Total<sup>5</sup></b>     | \$ 17,083,697 |                             |                                  |                              |  |

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

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

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

See Notes to Financial Statements.

## Consolidated Schedule of Investments (concluded)

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

- <sup>4</sup> The Trust fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Trust.
- <sup>5</sup> Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

|   | Common<br>Stocks       | Corporate<br>Bonds  | Floating Rate<br>Loan Interests | Other<br>Interests       | Preferred<br>Securities | Warrants    | Total                |
|---|------------------------|---------------------|---------------------------------|--------------------------|-------------------------|-------------|----------------------|
| <b>Assets:</b>  |                        |                     |                                 |                          |                         |             |                      |
| Opening balance, as of August 31, 2011                          | \$ 3,689,799           | \$ 6,541,570        | \$ 14,112,734                   | \$ 3,081,895             | \$ 503,497              | \$ 382,599  | \$ 28,312,094        |
| Transfers into Level 3 <sup>1</sup>                             | 3,081,876 <sup>2</sup> |                     | 5,487,806                       |                          |                         |             | 8,569,682            |
| Transfers out of Level 3 <sup>3</sup>                           |                        |                     | (2,529,625)                     | (3,081,872) <sup>2</sup> |                         |             | (5,611,497)          |
| Accrued discounts/premiums                                      |                        | 6,060               | 200,544                         |                          |                         |             | 206,604              |
| Net realized gain (loss)  | (1,658,754)            | (3,660,373)         | 48,617                          |                          | 592,350                 | (293,874)   | (4,972,034)          |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 93,110                 | 3,647,602           | (1,178,187)                     | 48                       | (503,497)               | (88,724)    | 1,970,352            |
| Purchases   | 1,810,765              | 1,068,488           | 5,354,106                       |                          |                         |             | 8,233,359            |
| Sales   | (11,656)               | (2,678,426)         | (2,034,926)                     |                          | (592,350)               |             | (5,317,358)          |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 7,005,140</b>    | <b>\$ 4,924,921</b> | <b>\$ 19,461,069</b>            | <b>\$ 71</b>             |                         | <b>\$ 1</b> | <b>\$ 31,391,202</b> |

- <sup>1</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$5,487,810 transferred from Level 2 to Level 3 in the disclosure hierarchy.
- <sup>2</sup> Transfers into and out of Level 3 are the result of a reclassification of certain Level 3 investments between Common Stocks and Other Interests and not the result of the investments transferring into or out of Level 3.
- <sup>3</sup> As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$2,529,625 transferred from Level 3 to Level 2 in the disclosure hierarchy.
- <sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(2,542,944).

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

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|   | Credit<br>Contracts |
|---|---------------------|
| <b>Assets:</b>  |                     |
| Opening balance, as of August 31, 2011                          |                     |
| Transfers into Level 3 <sup>5</sup>                             |                     |
| Transfers out of Level 3 <sup>5</sup>                           |                     |
| Accrued discounts/premiums                                      |                     |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>6</sup> | \$ 869,356          |
| Purchases   |                     |
| Issues <sup>7</sup>   |                     |
| Sales   |                     |
| Settlements <sup>8</sup>  |                     |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 869,356</b>   |

<sup>5</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

<sup>6</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held as of August 31, 2012 was \$869,356.

<sup>7</sup> Issues represent upfront cash received on certain derivative financial instruments.

<sup>8</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2012

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

| Common Stocks                                 | Shares      | Value      |
|---|-------------|------------|
| <b>Auto Components 0.4%</b>                   |             |            |
| Delphi Automotive Plc                         | 16,057      | \$ 486,354 |
| <b>Diversified Financial Services 0.5%</b>    |             |            |
| Kcad Holdings I Ltd.                          | 100,092,440 | 663,713    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b> |             |            |
| Travelport Worldwide Ltd.                     | 35,081      | 4,560      |
| <b>Media 0.1%</b>                             |             |            |
| Cumulus Media, Inc., Class A                  | 40,597      | 112,454    |
| <b>Software 0.2%</b>                          |             |            |
| Bankruptcy Management Solutions, Inc.         | 251         | 3          |
| HMH Holdings/EduMedia                         | 9,409       | 230,515    |
|   |             | 230,518    |
| <b>Total Common Stocks 1.2%</b>               |             | 1,497,599  |

| Corporate Bonds                                      | Par<br>(000) |           |
|--|--------------|-----------|
| <b>Aerospace &amp; Defense 0.6%</b>                  |              |           |
| Huntington Ingalls Industries, Inc.:                 |              |           |
| 6.88%, 3/15/18                                       | USD 100      | 107,000   |
| 7.13%, 3/15/21                                       | 140          | 151,550   |
| Kratos Defense & Security Solutions, Inc.,           |              |           |
| 10.00%, 6/01/17                                      | 398          | 423,870   |
|  |              | 682,420   |
| <b>Air Freight &amp; Logistics 0.5%</b>              |              |           |
| National Air Cargo Group, Inc.:                      |              |           |
| Series 1, 12.38%, 9/02/15                            | 276          | 281,313   |
| Series 2, 12.38%, 8/16/15                            | 279          | 284,580   |
|  |              | 565,893   |
| <b>Airlines 1.3%</b>                                 |              |           |
| American Airlines Pass-Through Trust, Series 2011-2, |              |           |
| Class A, 8.63%, 4/15/23                              | 504          | 533,899   |
| Continental Airlines, Inc., Series 2010-1, Class B,  |              |           |
| 6.00%, 7/12/20                                       | 178          | 178,906   |
| Delta Air Lines, Inc.:                               |              |           |
| Series 2002-1, Class G-1, 6.72%, 7/02/24             | 273          | 296,120   |
| Series 2009-1-B, 9.75%, 6/17/18                      | 93           | 100,817   |
| US Airways Pass-Through Trust, Class C:              |              |           |
| Series 2011-1, 10.88%, 10/22/14                      | 305          | 312,636   |
| Series 2012-1, 9.13%, 10/01/15                       | 200          | 204,000   |
|  |              | 1,626,378 |
| <b>Auto Components 1.8%</b>                          |              |           |
| Dana Holding Corp., 6.75%, 2/15/21                   | 200          | 215,500   |
| Delphi Corp., 6.13%, 5/15/21                         | 80           | 88,000    |
| Icahn Enterprises LP, 8.00%, 1/15/18                 | 1,510        | 1,608,150 |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (b)              | 155          | 162,169   |
| International Automotive Components Group SL,        |              |           |
| 9.13%, 6/01/18 (b)                                   | 20           | 19,175    |
| Titan International, Inc., 7.88%, 10/01/17           | 190          | 199,025   |
|  |              | 2,292,019 |

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**Beverages 0.3%**

|                             |     |     |         |
|-----------------------------|-----|-----|---------|
| Crown European Holdings SA: |     |     |         |
| 7.13%, 8/15/18              | EUR | 100 | 138,358 |
| 7.13%, 8/15/18 (b)          |     | 167 | 231,058 |
|                             |     |     | 369,416 |

**Biotechnology 0.0%**

|  |     |    |        |
|--|-----|----|--------|
| QHP Royalty Sub LLC, 10.25%, 3/15/15 (b) | USD | 25 | 25,041 |
|--|-----|----|--------|

**Corporate Bonds**

**Building Products 0.8%**

|  |     |     |            |
|--|-----|-----|------------|
| Building Materials Corp. of America (b):                   |     |     |            |
| 7.00%, 2/15/20   | USD | 250 | \$ 270,625 |
| 6.75%, 5/01/21   |     | 350 | 382,375    |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16 |     | 170 | 103,700    |
| USG Corp., 9.75%, 1/15/18                                  |     | 270 | 289,575    |
|  |     |     | 1,046,275  |

**Capital Markets 0.9%**

|   |  |     |           |
|---|--|-----|-----------|
| E*Trade Financial Corp.:                      |  |     |           |
| 12.50%, 11/30/17 (c)                          |  | 485 | 553,506   |
| Series A, 11.15%, 8/31/19 (d)(e)              |  | 295 | 252,225   |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b) |  | 300 | 339,586   |
|   |  |     | 1,145,317 |

**Chemicals 4.0%**

|  |     |       |           |
|--|-----|-------|-----------|
| Celanese US Holdings LLC, 5.88%, 6/15/21         |     | 810   | 895,050   |
| Chemtura Corp., 7.88%, 9/01/18                   |     | 145   | 156,237   |
| Hexion US Finance Corp.:                         |     |       |           |
| 6.63%, 4/15/20 (b)                               |     | 105   | 106,050   |
| 9.00%, 11/15/20                                  |     | 145   | 123,975   |
| Huntsman International LLC, 8.63%, 3/15/21       |     | 80    | 91,600    |
| INEOS Finance Plc (b):                           |     |       |           |
| 8.38%, 2/15/19                                   |     | 400   | 421,000   |
| 7.50%, 5/01/20                                   |     | 195   | 198,900   |
| INEOS Group Holdings Plc, 8.50%, 2/15/16 (b)     |     | 75    | 70,688    |
| Kinove German Bondco GmbH, 10.00%, 6/15/18       | EUR | 148   | 202,360   |
| Kraton Polymers LLC, 6.75%, 3/01/19              | USD | 55    | 56,375    |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (b) |     | 1,210 | 1,370,325 |
| Nexeo Solutions LLC, 8.38%, 3/01/18              |     | 85    | 83,088    |
| PolyOne Corp., 7.38%, 9/15/20                    |     | 100   | 109,250   |
| TPC Group LLC, 8.25%, 10/01/17                   |     | 155   | 170,112   |
| Tronox Finance LLC, 6.38%, 8/15/20 (b)           |     | 835   | 843,350   |
|  |     |       | 4,898,360 |

**Commercial Banks 1.1%**

|                    |  |     |           |
|--------------------|--|-----|-----------|
| CIT Group, Inc.:   |  |     |           |
| 7.00%, 5/02/16 (b) |  | 632 | 633,600   |
| 5.25%, 3/15/18     |  | 240 | 250,200   |
| 5.50%, 2/15/19 (b) |  | 240 | 250,200   |
| 5.00%, 8/15/22     |  | 260 | 261,970   |
|                    |  |     | 1,395,970 |

**Commercial Services & Supplies 1.9%**

|  |  |     |         |
|--|--|-----|---------|
| ARAMARK Corp., 8.50%, 2/01/15                              |  | 166 | 170,152 |
| ARAMARK Holdings Corp., 8.63%, 5/01/16 (b)(c)              |  | 190 | 194,514 |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b)           |  | 230 | 236,152 |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)            |  | 171 | 180,616 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)         |  | 9   | 9,090   |
| Casella Waste Systems, Inc., 7.75%, 2/15/19                |  | 214 | 211,860 |
| Clean Harbors, Inc., 5.25%, 8/01/20 (b)                    |  | 233 | 239,116 |
| Covanta Holding Corp., 6.38%, 10/01/22                     |  | 280 | 306,144 |
| Mead Products LLC/ACCO Brands Corp., 6.75%,<br>4/30/20 (b) |  | 97  | 102,578 |

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|  |     |           |
|--|-----|-----------|
| Mobile Mini, Inc., 7.88%, 12/01/20             | 165 | 176,963   |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21     | 392 | 429,240   |
| West Corp., 8.63%, 10/01/18                    | 65  | 65,975    |
|  |     | 2,322,400 |
| <b>Communications Equipment 1.8%</b>           |     |           |
| Avaya, Inc., 9.75%, 11/01/15                   | 310 | 268,925   |
| Frontier Communications Corp., 6.25%, 1/15/13  | 400 | 407,000   |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 180 | 192,825   |
| Zayo Group LLC/Zayo Capital, Inc.:             |     |           |
| 8.13%, 1/01/20                                 | 690 | 733,125   |
| 10.13%, 7/01/20                                | 560 | 600,600   |
|  |     | 2,202,475 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Computers &amp; Peripherals 0.1%</b>                        |              |            |
| SanDisk Corp., 1.50%, 8/15/17 (e)                              | USD 100      | \$ 110,750 |
| <b>Construction &amp; Engineering 0.2%</b>                     |              |            |
| Boart Longyear Management Property Ltd., 7.00%,<br>4/01/21 (b) | 90           | 93,375     |
| H&E Equipment Services, Inc., 7.00%, 9/01/22 (b)               | 145          | 150,437    |
| URS Corp., 5.00%, 4/01/22 (b)                                  | 30           | 30,420     |
|  |              | 274,232    |
| <b>Construction Materials 1.3%</b>                             |              |            |
| HD Supply, Inc. (b):   |              |            |
| 8.13%, 4/15/19   | 680          | 737,800    |
| 11.00%, 4/15/20  | 655          | 720,500    |
| Xefin Lux SCA, 8.00%, 6/01/18 (b)                              | EUR 113      | 138,578    |
|  |              | 1,596,878  |
| <b>Consumer Finance 0.8%</b>                                   |              |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                        | USD 220      | 242,000    |
| Ford Motor Credit Co. LLC:                                     |              |            |
| 7.00%, 4/15/15   | 270          | 300,559    |
| 12.00%, 5/15/15  | 330          | 410,850    |
|  |              | 953,409    |
| <b>Containers &amp; Packaging 1.5%</b>                         |              |            |
| Ardagh Packaging Finance Plc (b):                              |              |            |
| 7.38%, 10/15/17  | EUR 285      | 379,085    |
| 9.13%, 10/15/20  | USD 200      | 209,000    |
| 9.13%, 10/15/20  | 200          | 208,000    |
| Berry Plastics Corp.:  |              |            |
| 4.34%, 9/15/14 (f)   | 135          | 132,975    |
| 8.25%, 11/15/15  | 55           | 57,888     |
| 9.75%, 1/15/21   | 195          | 215,962    |
| GCL Holdings SCA, 9.38%, 4/15/18 (b)                           | EUR 120      | 146,408    |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18      |              |            |
|  | USD 175      | 195,125    |
| OI European Group BV, 6.88%, 3/31/17                           | EUR 100      | 129,868    |
| Sealed Air Corp., 8.38%, 9/15/21 (b)                           | USD 85       | 95,625     |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (b)                           | 80           | 83,600     |
|  |              | 1,853,536  |
| <b>Distributors 0.6%</b>                                       |              |            |
| VWR Funding, Inc., 7.25%, 9/15/17 (b)(g)                       | 710          | 718,875    |
| <b>Diversified Consumer Services 0.3%</b>                      |              |            |
| Laureate Education, Inc., 9.25%, 9/01/19 (b)                   | 270          | 270,000    |
| ServiceMaster Co., 8.00%, 2/15/20                              | 85           | 90,631     |
|  |              | 360,631    |
| <b>Diversified Financial Services 4.3%</b>                     |              |            |
| Aircastle, Ltd., 6.75%, 4/15/17                                | 200          | 216,000    |
| Ally Financial, Inc.:  |              |            |
| 7.50%, 12/31/13  | 90           | 96,188     |
| 8.00%, 11/01/31  | 1,520        | 1,797,400  |
| Boparan Holdings Ltd. (b):                                     |              |            |
| 9.75%, 4/30/18   | EUR 100      | 132,226    |
| 9.88%, 4/30/18   | GBP 100      | 166,053    |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b)                         | USD 135      | 137,700    |

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|  |     |     |         |
|--|-----|-----|---------|
| DPL, Inc., 7.25%, 10/15/21 (b)                     |     | 530 | 604,200 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 |     | 140 | 155,224 |
| Leucadia National Corp., 8.13%, 9/15/15            |     | 378 | 426,195 |
| <b>Reynolds Group Issuer, Inc.:</b>                |     |     |         |
| 7.75%, 10/15/16                                    | EUR | 71  | 92,206  |
| 7.13%, 4/15/19                                     | USD | 115 | 123,912 |
| 9.75%, 4/15/19                                     |     | 100 | 101,625 |
| 7.88%, 8/15/19                                     |     | 250 | 278,125 |
| 9.88%, 8/15/19                                     |     | 575 | 608,062 |
| 8.25%, 2/15/21                                     |     | 100 | 98,250  |

| <b>Corporate Bonds</b>  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Diversified Financial Services (concluded)</b>   |     |                      |              |
| <b>WMG Acquisition Corp.:</b>   |     |                      |              |
| 9.50%, 6/15/16  | USD | 55                   | \$ 60,088    |
| 11.50%, 10/01/18  |     | 190                  | 208,525      |
|   |     |                      | 5,301,979    |
| <b>Diversified Telecommunication Services 2.4%</b>  |     |                      |              |
| <b>Broadview Networks Holdings, Inc., 11.38%,<br/>9/01/12 (a)(h)</b>                        |     |                      |              |
|   |     | 480                  | 324,000      |
| <b>Consolidated Communications Finance Co.,<br/>10.88%, 6/01/20 (b)</b>                     |     |                      |              |
|   |     | 270                  | 289,575      |
| <b>ITC Deltacom, Inc., 10.50%, 4/01/16</b>  |     |                      |              |
|   |     | 140                  | 150,850      |
| <b>Level 3 Communications, Inc.:</b>  |     |                      |              |
| 6.50%, 10/01/16   |     | 125                  | 172,813      |
| 8.88%, 6/01/19 (b)  |     | 145                  | 147,900      |
| <b>Level 3 Financing, Inc.:</b>   |     |                      |              |
| 8.13%, 7/01/19  |     | 913                  | 956,367      |
| 7.00%, 6/01/20 (b)  |     | 252                  | 250,740      |
| 8.63%, 7/15/20  |     | 385                  | 411,950      |
| <b>Windstream Corp.:</b>  |     |                      |              |
| 8.13%, 8/01/13  |     | 112                  | 118,160      |
| 7.88%, 11/01/17   |     | 163                  | 177,262      |
|   |     |                      | 2,999,617    |
| <b>Electric Utilities 0.5%</b>  |     |                      |              |
| <b>Mirant Mid Atlantic Pass-Through Trust, Series B,<br/>9.13%, 6/30/17</b>                 |     |                      |              |
|   |     | 130                  | 140,058      |
| <b>The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14</b>                                   |     |                      |              |
|   | EUR | 350                  | 438,161      |
|   |     |                      | 578,219      |
| <b>Electrical Equipment 0.1%</b>  |     |                      |              |
| <b>Belden, Inc., 5.50%, 9/01/22 (b)</b>   |     |                      |              |
|   | USD | 160                  | 160,400      |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.4%</b>                          |     |                      |              |
| <b>CDW LLC/CDW Finance Corp., 8.50%, 4/01/19</b>  |     |                      |              |
|   |     | 170                  | 186,150      |
| <b>Jabil Circuit, Inc., 8.25%, 3/15/18</b>  |     |                      |              |
|   |     | 105                  | 126,000      |
| <b>Micron Technology, Inc., 2.38%, 5/01/32 (b)(e)</b>                                       |     |                      |              |
|   |     | 192                  | 182,640      |
|   |     |                      | 494,790      |
| <b>Energy Equipment &amp; Services 3.5%</b>   |     |                      |              |
| <b>Atwood Oceanics, Inc., 6.50%, 2/01/20</b>  |     |                      |              |
|   |     | 65                   | 69,388       |
| <b>Calfrac Holdings LP, 7.50%, 12/01/20 (b)</b>   |     |                      |              |
|   |     | 185                  | 181,300      |
| <b>Compagnie Générale de Géophysique, Veritas:<br/>7.75%, 5/15/17</b>                       |     |                      |              |
|   |     | 170                  | 177,650      |
| <b>6.50%, 6/01/21</b>   |     |                      |              |
|   |     | 595                  | 619,544      |
| <b>Forbes Energy Services Ltd., 9.00%, 6/15/19</b>  |     |                      |              |
|   |     | 165                  | 160,050      |
| <b>FTS International Services LLC/FTS International<br/>Bonds Inc., 8.13%, 11/15/18 (b)</b> |     |                      |              |
|   |     | 795                  | 820,837      |
| <b>Gulfmark Offshore, Inc., 6.38%, 3/15/22 (b)</b>  |     |                      |              |
|   |     | 70                   | 71,400       |
| <b>Hornbeck Offshore Services, Inc., 5.88%, 4/01/20</b>                                     |     |                      |              |
|   |     | 140                  | 142,800      |
| <b>Key Energy Services, Inc., 6.75%, 3/01/21</b>  |     |                      |              |
|   |     | 205                  | 208,588      |
| <b>MEG Energy Corp. (b):</b>  |     |                      |              |



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|  |     |           |
|--|-----|-----------|
| 6.50%, 3/15/21                                 | 545 | 573,612   |
| 6.38%, 1/30/23                                 | 200 | 208,500   |
| Oil States International, Inc., 6.50%, 6/01/19 | 140 | 148,750   |
| Peabody Energy Corp.:                          |     |           |
| 6.25%, 11/15/21 (b)                            | 640 | 651,200   |
| 7.88%, 11/01/26                                | 170 | 181,475   |
| Precision Drilling Corp.:                      |     |           |
| 6.63%, 11/15/20                                | 35  | 36,750    |
| 6.50%, 12/15/21                                | 135 | 141,750   |
|  |     | 4,393,594 |
| <b>Food &amp; Staples Retailing 0.1%</b>       |     |           |
| Rite Aid Corp., 9.25%, 3/15/20                 | 165 | 169,538   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Corporate Bonds</b>  |              |           |
| <b>Food Products 0.4%</b>   |              |           |
| Del Monte Corp., 7.63%, 2/15/19                                     | USD 27       | \$ 26,966 |
| Post Holdings, Inc., 7.38%, 2/15/22 (b)                             | 195          | 205,481   |
| Smithfield Foods, Inc., 6.63%, 8/15/22                              | 256          | 262,080   |
|   |              | 494,527   |
| <b>Health Care Equipment &amp; Supplies 1.5%</b>                    |              |           |
| Biomet, Inc.:   |              |           |
| 10.00%, 10/15/17  | 90           | 95,231    |
| 6.50%, 8/01/20 (b)(c)   | 313          | 324,738   |
| DJO Finance LLC:  |              |           |
| 10.88%, 11/15/14  | 239          | 249,456   |
| 8.75%, 3/15/18 (b)  | 200          | 212,500   |
| 7.75%, 4/15/18  | 50           | 45,750    |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (b)      | 48           | 53,820    |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b)                   | 505          | 581,381   |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%,<br>11/01/19 (b)       | 125          | 113,438   |
| Teleflex, Inc., 6.88%, 6/01/19                                      | 130          | 139,100   |
|   |              | 1,815,414 |
| <b>Health Care Providers &amp; Services 7.6%</b>                    |              |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                       | 255          | 265,200   |
| CHS/Community Health Systems, Inc.:                                 |              |           |
| 5.13%, 8/15/18  | 395          | 407,344   |
| 7.13%, 7/15/20  | 202          | 211,595   |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b)                       | EUR 200      | 269,169   |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (b)                               | GBP 200      | 319,952   |
| DaVita, Inc., 5.75%, 8/15/22  | USD 408      | 424,320   |
| HCA, Inc.:  |              |           |
| 8.50%, 4/15/19  | 60           | 67,650    |
| 6.50%, 2/15/20  | 1,075        | 1,181,156 |
| 7.88%, 2/15/20  | 40           | 44,650    |
| 7.25%, 9/15/20  | 1,400        | 1,551,375 |
| Hologic, Inc., 6.25%, 8/01/20 (b)                                   | 703          | 744,301   |
| IASIS Healthcare LLC, 8.38%, 5/15/19                                | 683          | 651,411   |
| INC Research LLC, 11.50%, 7/15/19 (b)                               | 185          | 181,300   |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)                          | 55           | 46,338    |
| Omnicare, Inc., 7.75%, 6/01/20                                      | 450          | 496,125   |
| PSS World Medical, Inc., 6.38%, 3/01/22                             | 65           | 68,738    |
| Symbion, Inc., 8.00%, 6/15/16                                       | 155          | 156,647   |
| Tenet Healthcare Corp.:   |              |           |
| 10.00%, 5/01/18   | 352          | 404,800   |
| 6.25%, 11/01/18   | 150          | 162,844   |
| 8.88%, 7/01/19  | 1,260        | 1,433,250 |
| United Surgical Partners International, Inc., 9.00%,<br>4/01/20 (b) | 125          | 134,219   |
| Vanguard Health Holding Co. II LLC, 7.75%,<br>2/01/19 (b)           | 205          | 213,712   |
|   |              | 9,436,096 |
| <b>Health Care Technology 1.1%</b>                                  |              |           |
| IMS Health, Inc., 12.50%, 3/01/18 (b)                               | 1,125        | 1,321,875 |

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**Hotels, Restaurants & Leisure 4.1%**

|  |       |           |
|--|-------|-----------|
| Caesars Entertainment Operating Co., Inc.: |       |           |
| 11.25%, 6/01/17                            | 625   | 673,437   |
| 10.00%, 12/15/18                           | 1,819 | 1,145,970 |
| Caesars Operating Escrow LLC (b):          |       |           |
| 8.50%, 2/15/20                             | 135   | 133,144   |
| 9.00%, 2/15/20                             | 734   | 730,330   |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (b)    | 200   | 208,000   |
| Diamond Resorts Corp., 12.00%, 8/15/18     | 550   | 585,063   |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (b)  | 60    | 58,500    |
| MGM Resorts International:                 |       |           |
| 10.38%, 5/15/14                            | 95    | 107,825   |
| 11.13%, 11/15/17                           | 790   | 878,875   |

|  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Corporate Bonds</b>                                 |              |           |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>   |              |           |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (c)            | USD 65       | \$ 67,121 |
| Travelport LLC:  |              |           |
| 5.09%, 9/01/14 (f)                                     | 85           | 60,350    |
| 9.88%, 9/01/14   | 20           | 15,900    |
| 9.00%, 3/01/16   | 60           | 42,600    |
| 6.46%, 12/01/16 (b)(c)(f)                              | 191          | 147,629   |
| Tropicana Entertainment LLC, 9.63%,<br>12/15/14 (a)(h) | 215          |           |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 (b)                 | 270          | 276,075   |
|  |              | 5,130,819 |

**Household Durables 1.9%**

|  |         |           |
|--|---------|-----------|
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (b) | 15      | 15,338    |
| Jarden Corp., 7.50%, 1/15/20               | EUR 140 | 189,739   |
| Libbey Glass, Inc., 6.88%, 5/15/20 (b)     | USD 270 | 287,887   |
| Pulte Group, Inc., 6.38%, 5/15/33          | 85      | 73,950    |
| Ryland Group, Inc., 6.63%, 5/01/20         | 160     | 168,800   |
| Standard Pacific Corp.:                    |         |           |
| 10.75%, 9/15/16                            | 890     | 1,074,675 |
| 8.38%, 1/15/21                             | 480     | 535,200   |
|  |         | 2,345,589 |

**Household Products 0.5%**

|                                 |         |         |
|---------------------------------|---------|---------|
| Ontex IV SA, 7.50%, 4/15/18 (b) | EUR 100 | 127,667 |
| Spectrum Brands Holdings, Inc.: |         |         |
| 9.50%, 6/15/18                  | USD 160 | 182,600 |
| 9.50%, 6/15/18 (b)              | 270     | 308,137 |
|                                 |         | 618,404 |

**Independent Power Producers &**

**Energy Traders 3.4%**

|   |       |           |
|---|-------|-----------|
| The AES Corp., 7.38%, 7/01/21                 | 125   | 143,125   |
| Calpine Corp. (b):                            |       |           |
| 7.25%, 10/15/17                               | 80    | 85,600    |
| 7.50%, 2/15/21                                | 45    | 49,950    |
| 7.88%, 1/15/23                                | 200   | 226,000   |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | 825   | 909,562   |
| Energy Future Intermediate Holding Co. LLC:   |       |           |
| 6.88%, 8/15/17 (b)                            | 135   | 137,869   |
| 10.00%, 12/01/20                              | 1,341 | 1,505,272 |
| 11.75%, 3/01/22 (b)                           | 270   | 287,550   |
| GenOn REMA LLC, 9.24%, 7/02/17                | 107   | 114,780   |
| Laredo Petroleum, Inc.:                       |       |           |
| 9.50%, 2/15/19                                | 340   | 385,900   |
| 7.38%, 5/01/22                                | 165   | 177,375   |
| QEP Resources, Inc., 5.38%, 10/01/22          | 148   | 151,700   |
|   |       | 4,174,683 |

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**Industrial Conglomerates 2.4%**

|                  |       |           |
|------------------|-------|-----------|
| Sequa Corp. (b): |       |           |
| 11.75%, 12/01/15 | 1,060 | 1,113,000 |
| 13.50%, 12/01/15 | 1,770 | 1,875,713 |
|                  |       | 2,988,713 |

**Insurance 1.1%**

|   |     |           |
|---|-----|-----------|
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)     | 800 | 827,000   |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)     | 168 | 183,750   |
| Genworth Financial, Inc., 7.63%, 9/24/21          | 190 | 194,142   |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b) | 120 | 107,400   |
|   |     | 1,312,292 |

**IT Services 3.0%**

|                                       |     |         |
|---------------------------------------|-----|---------|
| Ceridian Corp., 8.88%, 7/15/19 (b)    | 650 | 697,125 |
| Epicor Software Corp., 8.63%, 5/01/19 | 230 | 236,900 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>IT Services (concluded)</b>  |              |            |
| First Data Corp.:   |              |            |
| 7.38%, 6/15/19 (b)  | USD 700      | \$ 722,750 |
| 6.75%, 11/01/20 (b)   | 395          | 392,038    |
| 8.25%, 1/15/21 (b)  | 285          | 282,506    |
| 12.63%, 1/15/21   | 763          | 772,537    |
| SunGard Data Systems, Inc.:   |              |            |
| 7.38%, 11/15/18   | 250          | 265,625    |
| 7.63%, 11/15/20   | 280          | 300,300    |
|   |              | 3,669,781  |
| <b>Machinery 1.2%</b>   |              |            |
| SPX Corp., 6.88%, 9/01/17   | 80           | 88,800     |
| UR Financing Escrow Corp. (b):  |              |            |
| 5.75%, 7/15/18  | 114          | 120,555    |
| 7.38%, 5/15/20  | 195          | 206,700    |
| 7.63%, 4/15/22  | 957          | 1,033,560  |
|   |              | 1,449,615  |
| <b>Media 14.3%</b>  |              |            |
| Affinion Group, Inc., 7.88%, 12/15/18                                       | 365          | 260,975    |
| AMC Networks, Inc., 7.75%, 7/15/21  | 100          | 113,250    |
| CCH II LLC, 13.50%, 11/30/16  | 637          | 697,672    |
| CCO Holdings LLC:   |              |            |
| 6.50%, 4/30/21  | 563          | 603,817    |
| 5.25%, 9/30/22  | 430          | 425,700    |
| Cengage Learning Acquisitions, Inc., 11.50%,<br>4/15/20 (b)                 | 575          | 605,187    |
| Checkout Holding Corp., 16.03%, 11/15/15 (b)(d)                             | 310          | 189,100    |
| Cinemark USA, Inc., 8.63%, 6/15/19  | 120          | 134,400    |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21                       | 491          | 421,033    |
| Clear Channel Worldwide Holdings, Inc.:                                     |              |            |
| Series A, 9.25%, 12/15/17   | 686          | 742,595    |
| Series B, 9.25%, 12/15/17   | 2,436        | 2,646,105  |
| Series B, 7.63%, 3/15/20  | 717          | 695,490    |
| Cox Enterprises, Inc.:  |              |            |
| Loan Close 2, 12.00%, 8/15/18   | 328          | 327,854    |
| Loan Close 3, 4.00%, 8/15/18  | 375          | 374,832    |
| Shares Loan, 12.00%, 8/15/18  | 386          | 386,583    |
| CSC Holdings LLC, 8.50%, 4/15/14  | 180          | 197,775    |
| DISH DBS Corp., 5.88%, 7/15/22 (b)  | 510          | 513,825    |
| Harron Communications LP, 9.13%, 4/01/20 (b)                                | 140          | 151,550    |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b)                           | 365          | 393,288    |
| Intelsat Luxembourg SA:   |              |            |
| 11.25%, 6/15/16   | 395          | 415,738    |
| 11.25%, 2/04/17   | 270          | 283,500    |
| 11.50%, 2/04/17 (c)   | 545          | 572,250    |
| Interactive Data Corp., 10.25%, 8/01/18                                     | 615          | 693,412    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     | 155          | 173,213    |
| Kabel Deutschland Vertrieb und Service GmbH & Co.<br>KG, 6.50%, 6/29/18 (b) | EUR 155      | 210,068    |

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|  |     |       |           |
|--|-----|-------|-----------|
| Lamar Media Corp., 5.88%, 2/01/22                      | USD | 65    | 68,900    |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)    |     | 335   | 358,450   |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b) |     | 261   | 291,015   |
| Nielsen Finance LLC:<br>11.63%, 2/01/14                |     | 72    | 81,720    |
| 7.75%, 10/15/18  |     | 970   | 1,091,250 |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (b)              | GBP | 100   | 157,594   |
| ProQuest LLC, 9.00%, 10/15/18 (b)                      | USD | 230   | 211,025   |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(h)        |     | 1,427 | 714       |
| Truven Health Analytics, Inc., 10.63%, 6/01/20 (b)     |     | 220   | 234,850   |
| Unitymedia GmbH:<br>9.63%, 12/01/19                    | EUR | 100   | 141,345   |
| 9.63%, 12/01/19 (b)                                    |     | 245   | 346,296   |
| 9.50%, 3/15/21   |     | 190   | 272,738   |

|  |     | Par<br>(000) |    | Value      |
|--|-----|--------------|----|------------|
| <b>Corporate Bonds</b>   |     |              |    |            |
| <b>Media (concluded)</b>   |     |              |    |            |
| Unitymedia Hessen GmbH & Co. KG:<br>8.13%, 12/01/17 (b)                  | USD | 557          | \$ | 602,953    |
| 7.50%, 3/15/19   | EUR | 304          |    | 418,696    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                                       | USD | 200          |    | 224,500    |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (b)                                 | EUR | 371          |    | 487,643    |
| WaveDivision Escrow LLC/WaveDivision Escrow<br>Corp., 8.13%, 9/01/20 (b) | USD | 130          |    | 133,900    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                                    | EUR | 175          |    | 241,576    |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                                    |     | 96           |    | 128,899    |
|  |     |              |    | 17,723,276 |

**Metals & Mining 3.3%**

|  |     |       |  |           |
|--|-----|-------|--|-----------|
| FMG Resources August 2006 Property Ltd. (b):<br>6.88%, 2/01/18 | USD | 160   |  | 152,400   |
| 6.88%, 4/01/22   |     | 85    |  | 78,200    |
| Global Brass and Copper, Inc., 9.50%,<br>6/01/19 (b)(h)        |     | 130   |  | 136,825   |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)                             |     | 460   |  | 530,150   |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 (b)                      |     | 100   |  | 106,000   |
| New Gold, Inc., 7.00%, 4/15/20 (b)                             |     | 65    |  | 68,413    |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (e)          |     | 670   |  | 851,737   |
| Novelis, Inc., 8.75%, 12/15/20                                 |     | 1,525 |  | 1,704,187 |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (b)                       |     | 105   |  | 108,675   |
| Taseko Mines Ltd., 7.75%, 4/15/19                              |     | 190   |  | 180,975   |
| Vedanta Resources Plc, 8.25%, 6/07/21 (b)                      |     | 200   |  | 191,000   |
|  |     |       |  | 4,108,562 |

**Multiline Retail 0.3%**

|  |  |     |  |         |
|--|--|-----|--|---------|
| Dollar General Corp., 4.13%, 7/15/17 (f) |  | 351 |  | 365,040 |
|--|--|-----|--|---------|

**Oil, Gas & Consumable Fuels 10.7%**

|   |  |     |  |         |
|---|--|-----|--|---------|
| Access Midstream Partners LP, 6.13%, 7/15/22        |  | 120 |  | 124,500 |
| Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (e) |  | 352 |  | 315,920 |
| Alpha Natural Resources, Inc.:<br>6.00%, 6/01/19    |  | 140 |  | 126,000 |
| 6.25%, 6/01/21                                      |  | 115 |  | 102,925 |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b)      |  | 100 |  | 104,500 |
| Berry Petroleum Co., 6.38%, 9/15/22                 |  | 180 |  | 191,700 |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (b)    |  | 115 |  | 117,300 |
| CCS, Inc., 11.00%, 11/15/15 (b)                     |  | 250 |  | 258,750 |
| Chaparral Energy, Inc., 7.63%, 11/15/22 (b)         |  | 95  |  | 100,463 |
| Chesapeake Energy Corp.:<br>7.25%, 12/15/18         |  | 5   |  | 5,238   |
| 6.63%, 8/15/20                                      |  | 80  |  | 82,200  |

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|  |     |         |
|--|-----|---------|
| 6.88%, 11/15/20                                  | 80  | 83,000  |
| 6.13%, 2/15/21                                   | 265 | 263,012 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)    | 52  | 55,380  |
| Concho Resources, Inc.:                          |     |         |
| 7.00%, 1/15/21                                   | 75  | 83,625  |
| 6.50%, 1/15/22                                   | 50  | 54,000  |
| 5.50%, 10/01/22                                  | 210 | 216,825 |
| CONSOL Energy, Inc., 8.25%, 4/01/20              | 805 | 867,387 |
| Continental Resources, Inc., 7.13%, 4/01/21      | 170 | 190,400 |
| Copano Energy LLC, 7.13%, 4/01/21                | 135 | 141,075 |
| Crosstex Energy LP:                              |     |         |
| 8.88%, 2/15/18                                   | 85  | 90,738  |
| 7.13%, 6/01/22 (b)                               | 65  | 64,675  |
| Denbury Resources, Inc., 8.25%, 2/15/20          | 23  | 26,105  |
| Energy XXI Gulf Coast, Inc.:                     |     |         |
| 9.25%, 12/15/17                                  | 250 | 278,750 |
| 7.75%, 6/15/19                                   | 405 | 430,312 |
| EP Energy LLC/Everest Acquisition Finance, Inc., |     |         |
| 7.75%, 9/01/22 (b)                               | 95  | 95,238  |
| EP Energy LLC/EP Energy Finance, Inc., 6.88%,    |     |         |
| 5/01/19 (b)                                      | 155 | 166,237 |
| EV Energy Partners LP, 8.00%, 4/15/19            | 70  | 72,275  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                   |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>       |              |            |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)                  | USD 350      | \$ 385,000 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (b)              | 155          | 164,687    |
| Linn Energy LLC:   |              |            |
| 6.50%, 5/15/19 (b)                                       | 45           | 44,775     |
| 6.25%, 11/01/19 (b)                                      | 815          | 804,812    |
| 8.63%, 4/15/20   | 100          | 108,000    |
| 7.75%, 2/01/21   | 95           | 99,038     |
| MarkWest Energy Partners LP:                             |              |            |
| 6.25%, 6/15/22   | 35           | 37,188     |
| 5.50%, 2/15/23   | 100          | 102,250    |
| Newfield Exploration Co., 6.88%, 2/01/20                 | 350          | 382,375    |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 (b)           | 140          | 142,800    |
| Oasis Petroleum, Inc.:                                   |              |            |
| 7.25%, 2/01/19   | 120          | 126,600    |
| 6.50%, 11/01/21  | 135          | 137,700    |
| Offshore Group Investments Ltd.:                         |              |            |
| 11.50%, 8/01/15 (b)                                      | 590          | 651,950    |
| 11.50%, 8/01/15  | 145          | 160,225    |
| OGX Petroleo e Gas Participações SA (b):                 |              |            |
| 8.50%, 6/01/18   | 1,310        | 1,162,625  |
| 8.38%, 4/01/22   | 305          | 259,250    |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (b)                  | 135          | 141,075    |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (b)              | 535          | 547,037    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)          | 265          | 282,887    |
| Pioneer Natural Resources Co.:                           |              |            |
| 6.88%, 5/01/18   | 210          | 254,247    |
| 7.50%, 1/15/20   | 65           | 81,294     |
| Range Resources Corp.:                                   |              |            |
| 8.00%, 5/15/19   | 170          | 187,850    |
| 5.75%, 6/01/21   | 445          | 473,369    |
| 5.00%, 8/15/22   | 193          | 200,962    |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16 | 270          | 288,900    |
| Samson Investment Co., 9.75%, 2/15/20 (b)                | 39           | 40,170     |
| SandRidge Energy, Inc.:                                  |              |            |
| 7.50%, 3/15/21   | 115          | 116,438    |
| 7.50%, 3/15/21 (b)                                       | 300          | 303,750    |
| 8.13%, 10/15/22 (b)                                      | 110          | 114,950    |
| 7.50%, 2/15/23 (b)                                       | 245          | 246,225    |
| SESI LLC:  |              |            |
| 6.38%, 5/01/19   | 145          | 153,700    |
| 7.13%, 12/15/21  | 105          | 116,812    |
| SM Energy Co.:   |              |            |
| 6.63%, 2/15/19   | 60           | 62,700     |
| 6.50%, 11/15/21  | 115          | 120,175    |
| 6.50%, 1/01/23 (b)                                       | 55           | 57,338     |
| Vanguard Natural Resources, 7.88%, 4/01/20               | 120          | 120,000    |
|  |              | 13,387,684 |
| <b>Paper &amp; Forest Products 1.4%</b>                  |              |            |
| Boise Paper Holdings LLC:                                |              |            |



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|   |     |           |
|---|-----|-----------|
| 9.00%, 11/01/17   | 25  | 27,688    |
| 8.00%, 4/01/20  | 50  | 55,250    |
| Clearwater Paper Corp.:                                       |     |           |
| 10.63%, 6/15/16   | 185 | 206,737   |
| 7.13%, 11/01/18   | 270 | 294,975   |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (b) | 155 | 160,425   |
| NewPage Corp., 11.38%, 12/31/14 (a)(h)                        | 995 | 674,112   |
| Sappi Papier Holding GmbH (b):                                |     |           |
| 8.38%, 6/15/19  | 200 | 210,500   |
| 6.63%, 4/15/21  | 65  | 60,125    |
|   |     | 1,689,812 |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Pharmaceuticals 1.0%</b>  |              |            |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (b)                           | EUR 100      | \$ 140,559 |
| Pharmaceutical Product Development, Inc., 9.50%,<br>12/01/19 (b)       | USD 75       | 83,625     |
| Spectrum Brands, Inc., 6.75%, 3/15/20 (b)                              | 115          | 120,750    |
| Valeant Pharmaceuticals International (b):                             |              |            |
| 6.50%, 7/15/16   | 725          | 764,875    |
| 6.75%, 8/15/21   | 175          | 177,625    |
|  |              | 1,287,434  |
| <b>Professional Services 0.6%</b>                                      |              |            |
| FTI Consulting, Inc.:  |              |            |
| 7.75%, 10/01/16  | 275          | 282,906    |
| 6.75%, 10/01/20  | 425          | 453,688    |
|  |              | 736,594    |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                      |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                                      | 550          | 589,875    |
| The Rouse Co. LP, 6.75%, 11/09/15                                      | 240          | 252,900    |
|  |              | 842,775    |
| <b>Real Estate Management &amp; Development 2.2%</b>                   |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20                                   | 160          | 174,800    |
| Crescent Resources LLC/Crescent Ventures, Inc.,<br>10.25%, 8/15/17 (b) | 310          | 317,750    |
| Realogy Corp.:   |              |            |
| 11.50%, 4/15/17  | 175          | 185,937    |
| 12.00%, 4/15/17  | 45           | 47,138     |
| 7.88%, 2/15/19 (b)   | 905          | 932,150    |
| 7.63%, 1/15/20 (b)   | 220          | 239,800    |
| 9.00%, 1/15/20 (b)   | 145          | 156,600    |
| Shea Homes LP, 8.63%, 5/15/19  | 565          | 628,562    |
|  |              | 2,682,737  |
| <b>Road &amp; Rail 1.0%</b>  |              |            |
| Florida East Coast Railway Corp., 8.13%, 2/01/17                       | 200          | 210,000    |
| The Hertz Corp.:   |              |            |
| 7.50%, 10/15/18  | 360          | 388,350    |
| 6.75%, 4/15/19 (b)   | 130          | 136,500    |
| 7.38%, 1/15/21   | 450          | 489,375    |
|  |              | 1,224,225  |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.2%</b>           |              |            |
| Spanision LLC, 7.88%, 11/15/17   | 260          | 253,500    |
| <b>Software 1.3%</b>   |              |            |
| Audatex North America, Inc., 6.75%, 6/15/18 (b)                        | 230          | 246,675    |
| Infor US, Inc. (FKA Lawson Software, Inc.), 9.38%,<br>4/01/19 (b)      | 730          | 790,225    |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)                        | 390          | 398,775    |
| Sophia LP, 9.75%, 1/15/19 (b)  | 198          | 212,850    |
|  |              | 1,648,525  |

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**Specialty Retail 2.5%**

|  |     |     |         |
|--|-----|-----|---------|
| Asbury Automotive Group, Inc., 8.38%, 11/15/20     |     | 165 | 182,325 |
| Claire's Stores, Inc., 9.00%, 3/15/19 (b)          |     | 315 | 326,812 |
| House of Fraser Funding Plc, 8.88%, 8/15/18 (b)    | GBP | 129 | 182,045 |
| Limited Brands, Inc.:                              |     |     |         |
| 8.50%, 6/15/19                                     | USD | 70  | 84,000  |
| 5.63%, 2/15/22                                     |     | 70  | 73,675  |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b)      |     | 350 | 370,125 |
| Penske Automotive Group, Inc., 5.75%, 10/01/22 (b) |     | 240 | 244,800 |
| Phones4u Finance Plc, 9.50%, 4/01/18 (b)           | GBP | 130 | 199,196 |
| QVC, Inc. (b):                                     |     |     |         |
| 7.13%, 4/15/17                                     | USD | 105 | 111,061 |
| 7.50%, 10/01/19                                    |     | 285 | 315,784 |
| 7.38%, 10/15/20                                    |     | 130 | 144,855 |
| 5.13%, 7/02/22                                     |     | 189 | 198,099 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value              |
|---|--------------|--------------------|
| <b>Corporate Bonds</b>  |              |                    |
| <b>Specialty Retail (concluded)</b>                               |              |                    |
| Sally Holdings LLC:   |              |                    |
| 6.88%, 11/15/19   | USD 245      | \$ 273,787         |
| 5.75%, 6/01/22  | 190          | 204,488            |
| Sonic Automotive, Inc., 9.00%, 3/15/18                            | 175          | 191,188            |
|   |              | 3,102,240          |
| <b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>                  |              |                    |
| Levi Strauss & Co., 6.88%, 5/01/22                                | 195          | 202,313            |
| <b>Trading Companies &amp; Distributors 0.6%</b>                  |              |                    |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (b)                         | 215          | 223,600            |
| Doric Nimrod Air Finance Alpha Ltd.,<br>Series 2012-1 (b):        |              |                    |
| Class A, 5.13%, 11/30/24  | 260          | 263,900            |
| Class B, 6.50%, 5/30/21   | 250          | 252,955            |
|   |              | 740,455            |
| <b>Transportation Infrastructure 0.2%</b>                         |              |                    |
| Aguila 3 SA, 7.88%, 1/31/18 (b)                                   | 198          | 208,643            |
| <b>Wireless Telecommunication Services 4.2%</b>                   |              |                    |
| Cricket Communications, Inc.:                                     |              |                    |
| 7.75%, 5/15/16  | 250          | 263,750            |
| 7.75%, 10/15/20   | 95           | 92,150             |
| Digicel Group Ltd. (b):   |              |                    |
| 9.13%, 1/15/15 (c)  | 1,220        | 1,232,200          |
| 8.25%, 9/01/17  | 565          | 598,900            |
| 10.50%, 4/15/18   | 520          | 561,600            |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20                          | 350          | 362,250            |
| NII Capital Corp., 7.63%, 4/01/21                                 | 152          | 117,420            |
| SBA Telecommunications, Inc., 5.75%, 7/15/20 (b)                  | 127          | 132,715            |
| Sprint Capital Corp., 6.88%, 11/15/28                             | 853          | 771,965            |
| Sprint Nextel Corp. (b):  |              |                    |
| 9.00%, 11/15/18   | 900          | 1,062,000          |
| 7.00%, 3/01/20  | 20           | 21,900             |
|   |              | 5,216,850          |
| <b>Total Corporate Bonds 104.0%</b>                               |              | <b>128,716,885</b> |
| <b>Floating Rate Loan Interests (f)</b>                           |              |                    |
| <b>Airlines 0.2%</b>  |              |                    |
| Delta Air Lines, Inc., Term Loan B, 5.50%, 4/20/17                | 213          | 214,178            |
| <b>Auto Components 0.6%</b>                                       |              |                    |
| Federal-Mogul Corp., Term Loan B, 2.17%, 12/29/14                 | 497          | 474,670            |
| Schaeffler AG, Term Loan C2, 6.00%, 1/27/17                       | 225          | 225,657            |
|   |              | 700,327            |
| <b>Building Products 0.2%</b>                                     |              |                    |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17 | 191          | 193,416            |
| <b>Capital Markets 0.7%</b>                                       |              |                    |
| American Capital Holdings, Term Loan, 5.50%,<br>7/19/16           | 356          | 357,335            |
| Nuveen Investments, Inc.:   |              |                    |
| Incremental Term Loan, 7.25%, 5/13/17                             | 295          | 296,328            |

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|   |                      |              |
|---|----------------------|--------------|
| Second Lien Term Loan, 8.25%, 2/28/19   | 185                  | 186,156      |
|   |                      | 839,819      |
| <b>Chemicals 0.6%</b>   |                      |              |
| Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19                                     | 75                   | 75,703       |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18                                | 509                  | 509,468      |
| Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17  | 168                  | 156,195      |
|   |                      | 741,366      |
|   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (f)</b>   |                      |              |
| <b>Commercial Services &amp; Supplies 0.8%</b>  |                      |              |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>5.25%, 6/10/16                          | USD 211              | \$ 210,568   |
| Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16                                    | 325                  | 328,250      |
| Volume Services America, Inc., Term Loan B,<br>10.50% 10.75%, 9/16/16                 | 442                  | 442,125      |
|   |                      | 980,943      |
| <b>Communications Equipment 0.8%</b>  |                      |              |
| Avaya, Inc., Term Loan B1, 3.18%, 10/24/14  | 114                  | 109,819      |
| Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19  | 920                  | 933,515      |
|   |                      | 1,043,334    |
| <b>Construction Materials 0.4%</b>  |                      |              |
| HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17                                       | 495                  | 505,727      |
| <b>Consumer Finance 1.8%</b>  |                      |              |
| Springleaf Financial Funding Co. (FKA AGFS Funding<br>Co.), Term Loan, 5.50%, 5/10/17 | 2,245                | 2,168,109    |
| <b>Diversified Consumer Services 0.1%</b>   |                      |              |
| Laureate Education, Inc., Extended Term Loan,<br>5.25%, 6/18/18                       | 65                   | 63,083       |
| ServiceMaster Co.:  |                      |              |
| Delayed Draw Term Loan, 2.74%, 7/24/14  | 4                    | 3,991        |
| Term Loan, 2.75% 2.97%, 7/24/14   | 40                   | 40,077       |
|   |                      | 107,151      |
| <b>Diversified Financial Services 0.5%</b>  |                      |              |
| Residential Capital LLC:  |                      |              |
| DIP Term Loan A1, 5.00%, 11/18/13   | 555                  | 556,387      |
| DIP Term Loan A2, 6.75%, 11/18/13   | 80                   | 80,934       |
|   |                      | 637,321      |
| <b>Diversified Telecommunication Services 0.9%</b>                                    |                      |              |
| Hawaiian Telcom Communications, Inc., Term Loan B,<br>7.00%, 2/28/17                  | 405                  | 410,063      |
| Level 3 Financing, Inc.:  |                      |              |
| 2016 Term Loan B, 4.75%, 2/01/16  | 150                  | 150,300      |
| 2019 Term Loan B, 5.25%, 8/01/19  | 120                  | 120,175      |
| Term Loan B3, 5.75%, 8/31/18  | 400                  | 401,056      |
|   |                      | 1,081,594    |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.1%</b>                    |                      |              |
| CDW LLC, Extended Term Loan, 4.00%, 7/14/17   | 123                  | 121,558      |
| <b>Energy Equipment &amp; Services 2.2%</b>   |                      |              |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan,<br>9.25%, 8/04/16                  | 894                  | 927,589      |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%,<br>8/04/16                                | 1,637                | 1,713,210    |
| Tervita Corp., Incremental Term Loan, 6.50%,<br>10/17/14                              | 119                  | 119,301      |
|   |                      | 2,760,100    |
| <b>Food &amp; Staples Retailing 0.0%</b>  |                      |              |
| US Foods, Inc. (FKA US Foodservice, Inc.), Extended<br>Term Loan B, 5.75%, 3/31/17    | 35                   | 33,474       |
| <b>Food Products 0.3%</b>   |                      |              |
|   | 400                  | 402,400      |

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Advance Pierre Foods, Term Loan (Second Lien),  
11.25%, 9/29/17

**Health Care Equipment & Supplies 0.6%**

|  |     |         |
|--|-----|---------|
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19       | 215 | 215,716 |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19       | 349 | 350,434 |
| LHP Hospital Group, Inc., Term Loan, 9.00%,<br>7/03/18 | 125 | 125,938 |
|  |     | 692,088 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (f)</b>                     |              |            |
| <b>Health Care Providers &amp; Services 0.5%</b>            |              |            |
| Harden Healthcare LLC:                                      |              |            |
| Add on Term Loan A, 7.75%, 3/02/15                          | USD 221      | \$ 214,577 |
| Term Loan A, 8.50%, 3/02/15                                 | 165          | 162,003    |
| inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16   | 308          | 286,274    |
|   |              | 662,854    |
| <b>Hotels, Restaurants &amp; Leisure 1.2%</b>               |              |            |
| Caesars Entertainment Operating Co., Inc.:                  |              |            |
| Extended Term Loan B6, 5.49%, 1/26/18                       | 90           | 79,115     |
| Incremental Term Loan B4, 9.50%, 10/31/16                   | 219          | 223,194    |
| Term Loan B1, 3.24%, 1/28/15                                | 194          | 183,802    |
| Term Loan B2, 3.24%, 1/28/15                                | 119          | 113,140    |
| Term Loan B3, 3.24% 3.46%, 1/28/15                          | 450          | 426,672    |
| OSI Restaurant Partners LLC:                                |              |            |
| Revolver, 2.49% 2.56%, 6/14/13                              | 4            | 4,009      |
| Term Loan B, 2.56%, 6/14/14                                 | 41           | 40,404     |
| Sabre, Inc., Non-Extended Initial Term Loan, 2.23%, 9/30/14 | 29           | 28,333     |
| Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16         | 372          | 353,422    |
| Travelport LLC:   |              |            |
| Extended Tranche A Term Loan, 6.44%, 9/28/12                | 88           | 26,387     |
| Extended Tranche B Term Loan, 13.94%, 12/01/16              | 284          | 22,685     |
|   |              | 1,501,163  |
| <b>Industrial Conglomerates 0.1%</b>                        |              |            |
| Sequa Corp.:  |              |            |
| Incremental Term Loan, 6.25%, 12/03/14                      | 84           | 84,487     |
| Term Loan, 3.69% 3.72%, 12/03/14                            | 70           | 69,519     |
|   |              | 154,006    |
| <b>IT Services 0.3%</b>                                     |              |            |
| First Data Corp., Extended 2018 Term Loan B, 4.24%, 3/23/18 | 355          | 335,180    |
| <b>Leisure Equipment &amp; Products 0.2%</b>                |              |            |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13          | 293          | 290,025    |
| <b>Machinery 0.5%</b>                                       |              |            |
| Navistar International Corp., Term Loan B, 7.00%, 8/17/17   | 301          | 302,642    |
| Rexnord Corp., Term Loan B, 5.00%, 4/02/18                  | 264          | 264,711    |
|   |              | 567,353    |
| <b>Media 5.1%</b>   |              |            |
| Affinion Group, Inc., Term Loan B, 5.00%, 7/16/15           | 20           | 16,814     |
| Cengage Learning Acquisitions, Inc.:                        |              |            |
| Non-Extended Term Loan, 2.49%, 7/03/14                      | 139          | 128,215    |
| Tranche 1 Incremental, 7.50%, 7/03/14                       | 720          | 693,001    |
| Cequel Communications LLC, Term Loan B, 4.00%, 2/14/19      | 200          | 199,085    |
| Clear Channel Communications, Inc.:                         |              |            |
| Term Loan B, 3.88%, 1/28/16                                 | 865          | 669,753    |
| Term Loan C, 3.88%, 1/28/16                                 | 174          | 132,466    |
|   | 195          | 196,316    |

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|  |     |                      |    |              |
|--|-----|----------------------|----|--------------|
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18                  |     |                      |    |              |
| Intelsat Jackson Holdings SA, Tranche B Term Loan,<br>5.25%, 4/02/18       |     | 3,149                |    | 3,159,262    |
| Interactive Data Corp., Term Loan B, 4.50%, 2/12/18                        |     | 185                  |    | 184,804      |
| Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13                         |     | 750                  |    | 754,065      |
| Univision Communications, Inc., Extended Term Loan,<br>4.48%, 3/31/17      |     | 135                  |    | 130,380      |
|  |     |                      |    | 6,264,161    |
|  |     | <b>Par<br/>(000)</b> |    | <b>Value</b> |
| <b>Floating Rate Loan Interests (f)</b>                                    |     |                      |    |              |
| <b>Metals &amp; Mining 0.2%</b>  |     |                      |    |              |
| Constellium Holdco BV, Term Loan B, 9.25%,<br>5/25/18                      | USD | 190                  | \$ | 186,200      |
| <b>Oil, Gas &amp; Consumable Fuels 0.8%</b>                                |     |                      |    |              |
| Chesapeake Energy Corp., Unsecured Term Loan,<br>8.50%, 12/01/17           |     | 525                  |    | 526,129      |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15                  |     | 472                  |    | 472,440      |
|  |     |                      |    | 998,569      |
| <b>Paper &amp; Forest Products 0.6%</b>                                    |     |                      |    |              |
| Ainsworth Lumber Co., Ltd., Term Loan, 5.25%,<br>6/26/14                   |     | 170                  |    | 164,475      |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13                               |     | 300                  |    | 302,814      |
| Verso Paper Finance Holdings LLC, Term Loan,<br>6.50% 7.24%, 2/01/13       |     | 553                  |    | 276,437      |
|  |     |                      |    | 743,726      |
| <b>Pharmaceuticals 0.1%</b>  |     |                      |    |              |
| Pharmaceutical Product Development, Inc., Term<br>Loan B, 6.25%, 12/05/18  |     | 139                  |    | 140,712      |
| <b>Professional Services 0.1%</b>  |     |                      |    |              |
| Truven Health Analytics, Term Loan B, 6.75%,<br>6/06/19                    |     | 165                  |    | 166,168      |
| <b>Real Estate Investment Trusts (REITs) 0.4%</b>                          |     |                      |    |              |
| iStar Financial, Inc., Term Loan A1, 5.00%, 6/28/13                        |     | 481                  |    | 481,091      |
| <b>Real Estate Management &amp; Development 0.3%</b>                       |     |                      |    |              |
| Realogy Corp.:   |     |                      |    |              |
| Extended Letter of Credit Loan, 4.50%, 10/10/16                            |     | 35                   |    | 33,430       |
| Extended Term Loan, 4.49%, 10/10/16  |     | 245                  |    | 236,826      |
| Stockbridge SBE Holdings LLC, Term Loan B, 13.00%,<br>5/02/17              |     | 80                   |    | 79,600       |
|  |     |                      |    | 349,856      |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.0%</b>               |     |                      |    |              |
| NXP BV, Term Loan A-2, 5.50%, 3/03/17                                      |     | 30                   |    | 30,204       |
| <b>Software 0.4%</b>   |     |                      |    |              |
| Infor US, Inc. (FKA Lawson Software, Inc.), Term<br>Loan B, 6.25%, 4/05/18 |     | 544                  |    | 549,226      |
| <b>Specialty Retail 0.1%</b>   |     |                      |    |              |
| Claire's Stores, Inc., Term Loan B, 2.98% 3.20%,<br>5/29/14                |     | 170                  |    | 166,939      |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                           |     |                      |    |              |
| Ascend Performance Materials LLC, Term Loan B,<br>6.75%, 4/10/18           |     | 509                  |    | 504,060      |
| <b>Wireless Telecommunication Services 1.2%</b>                            |     |                      |    |              |
| Crown Castle International Corp., Term Loan B,<br>4.00%, 1/31/19           |     | 30                   |    | 29,638       |
| Vodafone Americas Finance 2, Inc. (c):                                     |     |                      |    |              |
| Term Loan, 6.88%, 8/11/15  |     | 831                  |    | 863,872      |
| Term Loan B, 6.25%, 7/11/16  |     | 619                  |    | 631,125      |
|  |     |                      |    | 1,524,635    |

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|   |              |     |            |
|---|--------------|-----|------------|
| <b>Total Floating Rate Loan Interests</b>     | <b>23.3%</b> |     | 28,839,033 |
| <b>Preferred Securities</b>                   |              |     |            |
| <b>Capital Trusts</b>                         | <b>0.2%</b>  |     |            |
| <b>Insurance</b>                              | <b>0.2%</b>  |     |            |
| Genworth Financial, Inc., 6.15%, 11/15/66 (f) |              | 390 | 234,000    |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Shares | Value          |
|--|--------|----------------|
| <b>Preferred Stocks</b>  |        |                |
| <b>Auto Components 0.6%</b>  |        |                |
| Dana Holding Corp., 4.00% (b)(e)   | 6,200  | \$ 724,625     |
| <b>Diversified Financial Services 1.4%</b>   |        |                |
| Ally Financial, Inc., 7.00% (b)  | 1,953  | 1,778,390      |
| <b>Media 0.2%</b>  |        |                |
| Emmis Communications Corp., Series A, 6.25%  | 10,300 | 210,635        |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>  |        |                |
| MPG Office Trust, Inc., Series A, 7.63% (a)  | 4,171  | 95,849         |
| <b>Thriffs &amp; Mortgage Finance 0.0%</b>   |        |                |
| Fannie Mae, Series O, 7.00% (a)  | 10,000 | 12,000         |
| Freddie Mac, Series Z, 8.38% (a)   | 31,930 | 29,695         |
|  |        | 41,695         |
| <b>Total Preferred Stocks 2.3%</b>   |        | 2,851,194      |
| <b>Trust Preferreds</b>  |        |                |
| <b>Diversified Financial Services 0.9%</b>   |        |                |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (f)   | 34,610 | 855,309        |
| RBS Capital Funding Trust VII, 6.08% (a)(f)(h)(i)  | 13,100 | 224,534        |
| <b>Total Trust Preferreds 0.9%</b>   |        | 1,079,843      |
| <b>Total Preferred Securities 3.4%</b>   |        | 4,165,037      |
| <b>Warrants (j)</b>  |        |                |
| <b>Software 0.0%</b>   |        |                |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17)   | 167    |                |
| HMH Holdings/EduMedia (Issued/Exercisable<br>3/09/10, 19 Shares for 1 Warrant,<br>Expires 6/22/19, Strike Price \$42.27) | 513    |                |
| <b>Total Warrants 0.0%</b>   |        |                |
| <b>Total Long-Term Investments (Cost \$160,473,519) 131.9%</b>   |        | 163,218,554    |
| <b>Liabilities in Excess of Other Assets (31.9%)</b>   |        | (39,473,197)   |
| <b>Net Assets 100.0%</b>   |        | \$ 123,745,357 |

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

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| Counterparty        | Value      | Unrealized<br>Appreciation |
|---------------------|------------|----------------------------|
| Goldman Sachs & Co. | \$ 718,875 | \$ 8,875                   |

- (h) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (i) Security is perpetual in nature and has no stated maturity date.
- (j) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>August 31,<br>2012 | Income |
|--|--------------------------------------|-----------------|--------------------------------------|--------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 822,452                              | (822,452)       |                                      | \$ 643 |

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

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

| Contracts | Issue                   | Exchange              | Expiration        | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-------------------------|-----------------------|-------------------|-------------------|----------------------------|
| 54        | S&P 500<br>E-Mini Index | Chicago<br>Mercantile | September<br>2012 | \$ 3,793,770      | \$ (260,417)               |

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

| Currency<br>Purchased | Currency<br>Sold | Counterparty                        | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|-------------------------------------|--------------------|--|
| USD 787,148           | GBP 505,500      | Royal Bank of<br>Scotland Group Plc | 10/17/12           | \$ (15,390)                                  |
| EUR 358,000           | USD 444,675      | Deutsche Bank AG                    | 10/22/12           | 5,847  |
| USD 5,158,211         | EUR 4,202,000    | UBS AG                              | 10/22/12           | (129,748)                                    |
| <b>Total</b>          |                  |                                     |                    | <b>\$ (139,291)</b>                          |

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

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

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

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

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock High Income Shares (HIS)

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

|                              | Level 1      | Level 2        | Level 3      | Total          |
|------------------------------|--------------|----------------|--------------|----------------|
| <b>Assets:</b>               |              |                |              |                |
| Investments:                 |              |                |              |                |
| Long-Term Investments:       |              |                |              |                |
| Common Stocks                | \$ 598,808   | \$ 235,075     | \$ 663,716   | \$ 1,497,599   |
| Corporate Bonds              |              | 127,061,009    | 1,655,876    | 128,716,885    |
| Floating Rate Loan Interests |              | 23,961,082     | 4,877,951    | 28,839,033     |
| Preferred Securities         | 1,428,022    | 2,737,015      |              | 4,165,037      |
| <b>Total</b>                 | \$ 2,026,830 | \$ 153,994,181 | \$ 7,197,543 | \$ 163,218,554 |

|   | Level 1      | Level 2      | Level 3 | Total        |
|---|--------------|--------------|---------|--------------|
| Derivative Financial Instruments <sup>1</sup> |              |              |         |              |
| <b>Assets:</b>                                |              |              |         |              |
| Foreign currency exchange contracts           |              | \$ 5,847     |         | \$ 5,847     |
| <b>Liabilities:</b>                           |              |              |         |              |
| Foreign currency exchange contracts           |              | (145,138)    |         | (145,138)    |
| Interest rate contracts                       | \$ (260,417) |              |         | (260,417)    |
| <b>Total</b>                                  | \$ (260,417) | \$ (139,291) |         | \$ (399,708) |

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

|  | Level 1      | Level 2         | Level 3 | Total           |
|--|--------------|-----------------|---------|-----------------|
| <b>Assets:</b>   |              |                 |         |                 |
| Foreign currency at value                                  | \$ 40,712    |                 |         | \$ 40,712       |
| Cash   | 1,172,455    |                 |         | 1,172,455       |
| Cash pledged as collateral for financial futures contracts |              | 208,000         |         | 208,000         |
| <b>Liabilities:</b>  |              |                 |         |                 |
| Loan payable   |              | \$ (42,000,000) |         | (42,000,000)    |
| <b>Total</b>   | \$ 1,421,167 | \$ (42,000,000) |         | \$ (40,578,833) |

Prior to February 29, 2012, only significant transfers between Level 1 and Level 2 were required to be disclosed. There were no significant transfers from the beginning of the period to February 29, 2012. For the interim period March 1, 2012 through August 31, 2012, all transfers between Level 1 and Level 2 are required to be disclosed. As of February 29, 2012, the Trust used observable inputs in determining the value of certain equity securities. During the year, the Trust began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$554,692 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

|                              | Value               | Valuation Techniques        | Unobservable Inputs <sup>2</sup> | Range of Unobservable Inputs | Weighted Average of Unobservable Inputs <sup>3</sup> |
|------------------------------|---------------------|-----------------------------|----------------------------------|------------------------------|--|
| <b>Assets:</b>               |                     |                             |                                  |                              |  |
| Common Stocks                | \$ 663,713          | Market Comparable Companies | EBITDA Multiple                  | 5.9x                         | 5.9x   |
|                              |                     |                             | Forward EBITDA Multiple          | 4.6x                         | 4.6x   |
| Corporate Bonds              | 1,655,162           | Market Comparable Companies | Yield                            | 7.00% - 9.67%                | 8.76%  |
|                              |                     |                             | EBITDA Multiple                  | 6.0x                         | 6.0x   |
| Floating Rate Loan Interests | 653,017             | Market Comparable Companies | Illiquidity Discount             | 50%                          | 50%  |
|                              |                     | Cost                        | Yield                            | 9.65%                        | 9.65%  |
| <b>Total<sup>5</sup></b>     | <b>\$ 2,971,892</b> |                             | N/A <sup>4</sup>                 |                              |  |

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

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

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock High Income Shares (HIS)

- <sup>4</sup> The Trust fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Trust.
- <sup>5</sup> Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

|   | Common<br>Stocks  | Corporate<br>Bonds  | Floating Rate<br>Loan Interests | Other<br>Interests | Preferred<br>Securities | Warrants   | Total               |
|---|-------------------|---------------------|---------------------------------|--------------------|-------------------------|------------|---------------------|
| <b>Assets:</b>  |                   |                     |                                 |                    |                         |            |                     |
| Opening balance, as of August 31, 2011                          | \$ 1,023,120      | \$ 1,804,070        | \$ 3,539,166                    | \$ 476             | \$ 137,173              | \$ 104,162 | \$ 6,608,167        |
| Transfers into Level 3 <sup>1</sup>                             | 1                 |                     | 871,133                         |                    |                         |            | 871,134             |
| Transfers out of Level 3 <sup>2</sup>                           |                   |                     | (774,375)                       |                    |                         |            | (774,375)           |
| Accrued discounts/premiums                                      |                   |                     | (10,676)                        |                    |                         |            | (10,676)            |
| Net realized gain (loss)  | (406,391)         | 36,517              | 15,422                          |                    | 161,380                 |            | (193,072)           |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | (33,326)          | (80,973)            | (80,018)                        | (476)              | (137,173)               | (104,162)  | (436,128)           |
| Purchases   | 80,317            | 42,262              | 1,915,242                       |                    |                         |            | 2,037,821           |
| Sales   | (5)               | (146,000)           | (597,943)                       |                    | (161,380)               |            | (905,328)           |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 663,716</b> | <b>\$ 1,655,876</b> | <b>\$ 4,877,951</b>             |                    |                         |            | <b>\$ 7,197,543</b> |

- <sup>1</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$871,134 transferred from Level 2 to Level 3 in the disclosure hierarchy.
- <sup>2</sup> As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$774,375 transferred from Level 3 to Level 2 in the disclosure hierarchy.
- <sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(488,619).

See Notes to Financial Statements.



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Schedule of Investments August 31, 2012

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

| Common Stocks  | Shares | Value     |
|--|--------|-----------|
| <b>Auto Components 1.9%</b>                              |        |           |
| Dana Holding Corp.                                       | 6,200  | \$ 84,692 |
| Delphi Automotive Plc (a)                                | 26,378 | 798,993   |
|  |        | 883,685   |
| <b>Biotechnology 0.0%</b>                                |        |           |
| Ironwood Pharmaceuticals, Inc. (a)                       | 1,210  | 15,161    |
| <b>Capital Markets 0.3%</b>                              |        |           |
| American Capital Ltd. (a)                                | 8,899  | 97,800    |
| E*Trade Financial Corp. (a)                              | 4,900  | 41,993    |
|  |        | 139,793   |
| <b>Chemicals 0.1%</b>                                    |        |           |
| ADA-ES, Inc. (a)   | 300    | 7,035     |
| CF Industries Holdings, Inc.                             | 120    | 24,841    |
| Huntsman Corp.   | 2,250  | 32,355    |
|  |        | 64,231    |
| <b>Commercial Banks 0.2%</b>                             |        |           |
| CIT Group, Inc. (a)                                      | 2,780  | 104,973   |
| <b>Diversified Telecommunication Services 0.2%</b>       |        |           |
| Level 3 Communications, Inc. (a)                         | 4,300  | 92,665    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |        |           |
| Travelport Worldwide Ltd.                                | 12,460 | 1,620     |
| <b>Media 1.3%</b>  |        |           |
| Charter Communications, Inc. (a)                         | 6,900  | 536,820   |
| Cumulus Media, Inc., Class A (a)                         | 13,610 | 37,700    |
| DISH Network Corp., Class A                              | 950    | 30,390    |
|  |        | 604,910   |
| <b>Oil, Gas &amp; Consumable Fuels 0.1%</b>              |        |           |
| African Petroleum Corp. Ltd (a)                          | 17,200 | 22,035    |
| <b>Paper &amp; Forest Products 0.0%</b>                  |        |           |
| Ainsworth Lumber Co. Ltd. (a)(h)                         | 2,507  | 5,494     |
| Ainsworth Lumber Co. Ltd. (a)                            | 2,234  | 4,895     |
|  |        | 10,389    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |        |           |
| NXP Semiconductors NV (a)                                | 900    | 20,988    |
| <b>Software 0.2%</b>                                     |        |           |
| Bankruptcy Management Solutions, Inc. (a)                | 91     | 1         |
| HMH Holdings/EduMedia (a)                                | 3,231  | 79,163    |
|  |        | 79,164    |
| <b>Total Common Stocks 4.3%</b>                          |        | 2,039,614 |

| Corporate Bonds  | Par<br>(000) | Value   |
|--|--------------|---------|
| <b>Aerospace &amp; Defense 0.9%</b>                        |              |         |
| Huntington Ingalls Industries, Inc., 6.88%, 3/15/18        | USD 160      | 171,200 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 210          | 223,650 |
|  |              | 394,850 |
| <b>Air Freight &amp; Logistics 0.4%</b>                    |              |         |
| National Air Cargo Group, Inc.:                            |              |         |



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|                           |     |         |
|---------------------------|-----|---------|
| Series 1, 12.38%, 9/02/15 | 99  | 100,469 |
| Series 2, 12.38%, 8/16/15 | 100 | 101,636 |
|                           |     | 202,105 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Airlines 1.2%</b>  |              |            |
| American Airlines Pass-Through Trust, Series 2011-2,<br>Class A, 8.63%, 4/15/23 | USD 191      | \$ 202,655 |
| Continental Airlines, Inc., Series 2010-1, Class B,<br>6.00%, 7/12/20           | 89           | 89,453     |
| Delta Air Lines, Inc., Series 2002-1, Class G-1,<br>6.72%, 7/02/24              | 104          | 112,808    |
| US Airways Pass-Through Trust, Class C:<br>Series 2011-1, 10.88%, 10/22/14      | 108          | 110,935    |
| Series 2012-1, 9.13%, 10/01/15  | 80           | 81,600     |
|   |              | 597,451    |
| <b>Auto Components 2.5%</b>   |              |            |
| Dana Holding Corp., 6.75%, 2/15/21  | 180          | 193,950    |
| Delphi Corp., 6.13%, 5/15/21  | 30           | 33,000     |
| Icahn Enterprises LP, 8.00%, 1/15/18  | 650          | 692,250    |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (b)   | 85           | 88,931     |
| Jaguar Land Rover Plc, 8.25%, 3/15/20   | GBP 100      | 167,480    |
|   |              | 1,175,611  |
| <b>Beverages 0.3%</b>   |              |            |
| Crown European Holdings SA, 7.13%, 8/15/18                                      | EUR 92       | 127,289    |
| <b>Biotechnology 0.0%</b>   |              |            |
| QHP Royalty Sub LLC, 10.25%, 3/15/15 (b)  | USD 10       | 9,865      |
| <b>Building Products 0.7%</b>   |              |            |
| Building Materials Corp. of America (b):<br>7.00%, 2/15/20                      | 20           | 21,650     |
| 6.75%, 5/01/21  | 160          | 174,800    |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                      | 65           | 39,650     |
| USG Corp., 9.75%, 1/15/18   | 100          | 107,250    |
|   |              | 343,350    |
| <b>Capital Markets 0.8%</b>   |              |            |
| E*Trade Financial Corp.:<br>12.50%, 11/30/17                                    | 180          | 205,425    |
| Series A, 2.25%, 8/31/19 (d)  | 71           | 60,705     |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b)                                   | 110          | 124,515    |
|   |              | 390,645    |
| <b>Chemicals 4.0%</b>   |              |            |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b)                                       | 60           | 80,100     |
| Celanese US Holdings LLC, 5.88%, 6/15/21  | 300          | 331,500    |
| Chemtura Corp., 7.88%, 9/01/18  | 55           | 59,263     |
| Hexion US Finance Corp.:<br>6.63%, 4/15/20 (b)                                  | 40           | 40,400     |
| 9.00%, 11/15/20   | 50           | 42,750     |
| Huntsman International LLC, 8.63%, 3/15/21                                      | 25           | 28,625     |
| INEOS Finance Plc (b):<br>8.38%, 2/15/19  | 100          | 105,250    |
| 7.50%, 5/01/20  | 75           | 76,500     |
| Kraton Polymers LLC, 6.75%, 3/01/19   | 20           | 20,500     |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (b)                                | 485          | 549,262    |
| Nexeo Solutions LLC, 8.38%, 3/01/18   | 30           | 29,325     |
| Orion Engineered Carbons Bondco GmbH, 9.63%,<br>6/15/18 (b)                     | 200          | 211,000    |
| PolyOne Corp., 7.38%, 9/15/20   | 35           | 38,238     |
| TPC Group LLC, 8.25%, 10/01/17  | 55           | 60,362     |
| Tronox Finance LLC, 6.38%, 8/15/20 (b)  | 205          | 207,050    |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Commercial Banks 1.3%</b>                                   |              |            |
| CIT Group, Inc.:   |              |            |
| 7.00%, 5/02/16 (b)   | USD 237      | \$ 237,198 |
| 5.25%, 3/15/18   | 130          | 135,525    |
| 5.50%, 2/15/19 (b)   | 80           | 83,400     |
| 5.00%, 8/15/22   | 90           | 90,682     |
| 6.00%, 4/01/36   | 90           | 81,525     |
|  |              | 628,330    |
| <b>Commercial Services &amp; Supplies 2.3%</b>                 |              |            |
| ARAMARK Corp., 8.50%, 2/01/15                                  | 64           | 65,601     |
| ARAMARK Holdings Corp., 8.63%, 5/01/16 (b)(c)                  | 70           | 71,663     |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b)               | 92           | 94,461     |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)                | 171          | 180,616    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)             | 7            | 7,070      |
| Clean Harbors, Inc., 5.25%, 8/01/20 (b)                        | 88           | 90,310     |
| Covanta Holding Corp., 6.38%, 10/01/22                         | 135          | 147,605    |
| Mead Products LLC/ACCO Brands Corp., 6.75%,<br>4/30/20 (b)     | 40           | 42,300     |
| Mobile Mini, Inc., 7.88%, 12/01/20                             | 60           | 64,350     |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21                     | 148          | 162,060    |
| Verisure Holding AB, 8.75%, 9/01/18                            | EUR 100      | 125,780    |
| West Corp., 8.63%, 10/01/18                                    | USD 25       | 25,375     |
|  |              | 1,077,191  |
| <b>Communications Equipment 1.5%</b>                           |              |            |
| Avaya, Inc., 9.75%, 11/01/15                                   | 40           | 34,700     |
| Frontier Communications Corp., 6.25%, 1/15/13                  | 150          | 152,625    |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19                 | 10           | 10,713     |
| Zayo Group LLC/Zayo Capital, Inc.:                             |              |            |
| 8.13%, 1/01/20   | 265          | 281,562    |
| 10.13%, 7/01/20  | 220          | 235,950    |
|  |              | 715,550    |
| <b>Computers &amp; Peripherals 0.1%</b>                        |              |            |
| SanDisk Corp., 1.50%, 8/15/17 (e)                              | 40           | 44,300     |
| <b>Construction &amp; Engineering 0.2%</b>                     |              |            |
| Boart Longyear Management Property Ltd., 7.00%,<br>4/01/21 (b) | 35           | 36,312     |
| H&E Equipment Services, Inc., 7.00%, 9/01/22 (b)               | 60           | 62,250     |
| URS Corp., 5.00%, 4/01/22 (b)                                  | 10           | 10,140     |
|  |              | 108,702    |
| <b>Construction Materials 1.4%</b>                             |              |            |
| HD Supply, Inc. (b):   |              |            |
| 8.13%, 4/15/19   | 265          | 287,525    |
| 11.00%, 4/15/20  | 240          | 264,000    |
| Xefin Lux SCA, 8.00%, 6/01/18                                  | EUR 100      | 122,635    |
|  |              | 674,160    |
| <b>Consumer Finance 1.4%</b>                                   |              |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                        | USD 80       | 88,000     |
| Ford Motor Credit Co. LLC:                                     |              |            |
| 7.00%, 4/15/15   | 120          | 133,581    |
| 12.00%, 5/15/15  | 120          | 149,400    |
| 6.63%, 8/15/17   | 230          | 264,404    |

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|   |     |                      |    |              |
|---|-----|----------------------|----|--------------|
|   |     |                      |    | 635,385      |
| <b>Containers &amp; Packaging 1.2%</b>                              |     |                      |    |              |
| Ardagh Packaging Finance Plc, 9.13%, 10/15/20 (b)                   |     | 200                  |    | 208,000      |
| Berry Plastics Corp.:   |     |                      |    |              |
| 4.34%, 9/15/14 (f)  |     | 50                   |    | 49,250       |
| 8.25%, 11/15/15   |     | 20                   |    | 21,050       |
| 9.75%, 1/15/21  |     | 70                   |    | 77,525       |
| Graphic Packaging International, Inc., 7.88%, 10/01/18              |     | 60                   |    | 66,900       |
| <b>Corporate Bonds</b>  |     |                      |    |              |
|   |     | <b>Par<br/>(000)</b> |    | <b>Value</b> |
| <b>Containers &amp; Packaging (concluded)</b>                       |     |                      |    |              |
| Sealed Air Corp., 8.38%, 9/15/21 (b)                                | USD | 30                   | \$ | 33,750       |
| Smurfit Kappa Acquisitions, 7.75%, 11/15/19                         | EUR | 64                   |    | 88,147       |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (b)                                | USD | 30                   |    | 31,350       |
|   |     |                      |    | 575,972      |
| <b>Distributors 0.6%</b>  |     |                      |    |              |
| VWR Funding, Inc., 7.25%, 9/15/17 (b)(g)                            |     | 269                  |    | 272,362      |
| <b>Diversified Consumer Services 0.3%</b>                           |     |                      |    |              |
| Laureate Education, Inc., 9.25%, 9/01/19 (b)                        |     | 100                  |    | 100,000      |
| ServiceMaster Co., 8.00%, 2/15/20                                   |     | 35                   |    | 37,319       |
|   |     |                      |    | 137,319      |
| <b>Diversified Financial Services 4.2%</b>                          |     |                      |    |              |
| Aircastle, Ltd., 6.75%, 4/15/17                                     |     | 70                   |    | 75,600       |
| Ally Financial, Inc., 8.00%, 11/01/31                               |     | 800                  |    | 946,000      |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b)                              |     | 50                   |    | 51,000       |
| DPL, Inc., 7.25%, 10/15/21 (b)                                      |     | 195                  |    | 222,300      |
| Leucadia National Corp., 8.13%, 9/15/15                             |     | 140                  |    | 157,850      |
| Reynolds Group Issuer, Inc.:  |     |                      |    |              |
| 9.88%, 8/15/19  |     | 275                  |    | 290,812      |
| 6.88%, 2/15/21  |     | 115                  |    | 124,488      |
| WMG Acquisition Corp.:  |     |                      |    |              |
| 9.50%, 6/15/16  |     | 20                   |    | 21,850       |
| 11.50%, 10/01/18  |     | 72                   |    | 79,020       |
|   |     |                      |    | 1,968,920    |
| <b>Diversified Telecommunication Services 2.2%</b>                  |     |                      |    |              |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 (h)           |     | 195                  |    | 131,625      |
| Consolidated Communications Finance Co.,                            |     |                      |    |              |
| 10.88%, 6/01/20 (b)   |     | 95                   |    | 101,887      |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b)                    |     | 55                   |    | 56,100       |
| Level 3 Financing, Inc.:  |     |                      |    |              |
| 8.13%, 7/01/19  |     | 380                  |    | 398,050      |
| 7.00%, 6/01/20 (b)  |     | 95                   |    | 94,525       |
| 8.63%, 7/15/20  |     | 140                  |    | 149,800      |
| Windstream Corp.:   |     |                      |    |              |
| 8.13%, 8/01/13  |     | 25                   |    | 26,375       |
| 7.88%, 11/01/17   |     | 70                   |    | 76,125       |
|   |     |                      |    | 1,034,487    |
| <b>Electric Utilities 0.2%</b>                                      |     |                      |    |              |
| Mirant Mid Atlantic Pass-Through Trust, Series B,<br>9.13%, 6/30/17 |     | 84                   |    | 90,360       |
| <b>Electrical Equipment 0.1%</b>                                    |     |                      |    |              |
| Belden, Inc., 5.50%, 9/01/22 (b)                                    |     | 60                   |    | 60,150       |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.4%</b>  |     |                      |    |              |
| CDW LLC/CDW Finance Corp., 8.50%, 4/01/19                           |     | 66                   |    | 72,270       |
| Jabil Circuit, Inc., 8.25%, 3/15/18                                 |     | 40                   |    | 48,000       |
| Micron Technology, Inc., 2.38%, 5/01/32 (b)                         |     | 71                   |    | 67,539       |
|   |     |                      |    | 187,809      |
| <b>Energy Equipment &amp; Services 3.4%</b>                         |     |                      |    |              |

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|  |     |         |
|--|-----|---------|
| Atwood Oceanics, Inc., 6.50%, 2/01/20            | 25  | 26,688  |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)         | 65  | 63,700  |
| Compagnie Générale de Géophysique, Veritas:      |     |         |
| 7.75%, 5/15/17                                   | 65  | 67,925  |
| 6.50%, 6/01/21                                   | 200 | 208,250 |
| Forbes Energy Services Ltd., 9.00%, 6/15/19      | 60  | 58,200  |
| Frac Tech Services LLC, 8.13%, 11/15/18 (b)      | 295 | 304,587 |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 (b)      | 25  | 25,500  |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 | 50  | 51,000  |
| Key Energy Services, Inc., 6.75%, 3/01/21        | 75  | 76,313  |

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Energy Equipment &amp; Services (concluded)</b>                |              |            |
| MEG Energy Corp. (b):   |              |            |
| 6.50%, 3/15/21  | USD 205      | \$ 215,762 |
| 6.38%, 1/30/23  | 75           | 78,187     |
| Oil States International, Inc., 6.50%, 6/01/19                    | 50           | 53,125     |
| Peabody Energy Corp.:   |              |            |
| 6.25%, 11/15/21 (b)   | 230          | 234,025    |
| 7.88%, 11/01/26   | 65           | 69,388     |
| Precision Drilling Corp.:   |              |            |
| 6.63%, 11/15/20   | 10           | 10,500     |
| 6.50%, 12/15/21   | 45           | 47,250     |
|   |              | 1,590,400  |
| <b>Food &amp; Staples Retailing 0.1%</b>                          |              |            |
| Rite Aid Corp., 9.25%, 3/15/20                                    | 60           | 61,650     |
| <b>Food Products 0.5%</b>   |              |            |
| Darling International, Inc., 8.50%, 12/15/18                      | 20           | 22,650     |
| Del Monte Corp., 7.63%, 2/15/19                                   | 9            | 8,989      |
| Post Holdings, Inc., 7.38%, 2/15/22 (b)                           | 85           | 89,568     |
| Smithfield Foods, Inc., 6.63%, 8/15/22                            | 100          | 102,375    |
|   |              | 223,582    |
| <b>Health Care Equipment &amp; Supplies 1.5%</b>                  |              |            |
| Biomet, Inc.:   |              |            |
| 10.00%, 10/15/17  | 35           | 37,034     |
| 6.50%, 8/01/20 (b)  | 119          | 123,462    |
| DJO Finance LLC:  |              |            |
| 10.88%, 11/15/14  | 86           | 89,762     |
| 8.75%, 3/15/18 (b)  | 75           | 79,688     |
| 7.75%, 4/15/18  | 20           | 18,300     |
| Fresenius Medical Care US Finance II, Inc., 5.88%,<br>1/31/22 (b) | 110          | 116,875    |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (b)    | 54           | 60,548     |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b)                 | 80           | 92,100     |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%,<br>11/01/19 (b)     | 50           | 45,375     |
| Teleflex, Inc., 6.88%, 6/01/19                                    | 50           | 53,500     |
|   |              | 716,644    |
| <b>Health Care Providers &amp; Services 7.2%</b>                  |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                     | 95           | 98,800     |
| CHS/Community Health Systems, Inc.:                               |              |            |
| 5.13%, 8/15/18  | 140          | 144,375    |
| 7.13%, 7/15/20  | 75           | 78,562     |
| Crown Newco 3 Plc, 7.00%, 2/15/18                                 | GBP 100      | 159,976    |
| DaVita, Inc., 5.75%, 8/15/22                                      | USD 153      | 159,120    |
| HCA, Inc.:  |              |            |
| 8.50%, 4/15/19  | 25           | 28,188     |
| 6.50%, 2/15/20  | 395          | 434,006    |
| 7.88%, 2/15/20  | 115          | 128,369    |
| 7.25%, 9/15/20  | 410          | 454,331    |
| 5.88%, 3/15/22  | 45           | 47,869     |
| Hologic, Inc., 6.25%, 8/01/20 (b)                                 | 118          | 124,932    |

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|   |     |         |
|---|-----|---------|
| IASIS Healthcare LLC, 8.38%, 5/15/19    | 260 | 247,975 |
| INC Research LLC, 11.50%, 7/15/19 (b)   | 70  | 68,600  |
| inVentiv Health, Inc. (b):              |     |         |
| 10.00%, 8/15/18                         | 5   | 4,213   |
| 10.00%, 8/15/18                         | 20  | 16,850  |
| Omnicare, Inc., 7.75%, 6/01/20          | 160 | 176,400 |
| PSS World Medical, Inc., 6.38%, 3/01/22 | 58  | 61,335  |
| Symbion, Inc., 8.00%, 6/15/16           | 55  | 55,584  |
| Tenet Healthcare Corp.:                 |     |         |
| 10.00%, 5/01/18                         | 229 | 263,350 |
| 6.25%, 11/01/18                         | 55  | 59,709  |
| 8.88%, 7/01/19                          | 360 | 409,500 |

| Corporate Bonds   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Health Care Providers &amp; Services (concluded)</b>             |              |           |
| United Surgical Partners International, Inc., 9.00%,<br>4/01/20 (b) | USD 50       | \$ 53,688 |
| Vanguard Health Holding Co. II LLC, 7.75%,<br>2/01/19 (b)           | 75           | 78,188    |
|   |              | 3,353,920 |
| <b>Health Care Technology 1.0%</b>                                  |              |           |
| IMS Health, Inc., 12.50%, 3/01/18 (b)                               | 410          | 481,750   |
| <b>Hotels, Restaurants &amp; Leisure 4.5%</b>                       |              |           |
| Caesars Entertainment Operating Co., Inc.:                          |              |           |
| 11.25%, 6/01/17   | 210          | 226,275   |
| 10.00%, 12/15/18  | 520          | 327,600   |
| 8.50%, 2/15/20 (b)  | 55           | 54,244    |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (b)                    | 280          | 278,600   |
| Diamond Resorts Corp., 12.00%, 8/15/18                              | 200          | 212,750   |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (b)                           | 25           | 24,375    |
| MGM Resorts International:  |              |           |
| 10.38%, 5/15/14   | 345          | 391,575   |
| 4.25%, 4/15/15 (e)  | 183          | 184,830   |
| 11.13%, 11/15/17  | 185          | 205,812   |
| MTR Gaming Group, Inc., 11.50%, 8/01/19                             | 25           | 25,816    |
| Travelport LLC:   |              |           |
| 5.09%, 9/01/14 (f)  | 20           | 14,200    |
| 9.88%, 9/01/14  | 5            | 3,975     |
| 6.46%, 12/01/16 (b)(c)  | 68           | 52,433    |
| Tropicana Entertainment LLC, 9.63%,<br>12/15/14 (a)(h)              | 25           |           |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 (b)                              | 100          | 102,250   |
|   |              | 2,104,735 |
| <b>Household Durables 2.0%</b>                                      |              |           |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (b)                          | 10           | 10,225    |
| Jarden Corp., 8.00%, 5/01/16  | 40           | 42,950    |
| Libbey Glass, Inc., 6.88%, 5/15/20 (b)                              | 100          | 106,625   |
| Pulte Group, Inc., 6.38%, 5/15/33                                   | 30           | 26,100    |
| Ryland Group, Inc., 6.63%, 5/01/20                                  | 60           | 63,300    |
| Spie BondCo 3 SCA, 11.00%, 8/15/19                                  | EUR 100      | 127,667   |
| Standard Pacific Corp.:   |              |           |
| 10.75%, 9/15/16   | USD 300      | 362,250   |
| 8.38%, 1/15/21  | 170          | 189,550   |
|   |              | 928,667   |
| <b>Household Products 0.7%</b>                                      |              |           |
| Ontex IV SA, 7.50%, 4/15/18 (b)                                     | EUR 100      | 127,667   |
| Spectrum Brands Holdings, Inc.:                                     |              |           |
| 9.50%, 6/15/18 (b)  | USD 100      | 114,125   |
| 9.50%, 6/15/18  | 60           | 68,475    |
|   |              | 310,267   |

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**Independent Power Producers &**

**Energy Traders 3.3%**

|   |     |           |
|---|-----|-----------|
| The AES Corp., 7.38%, 7/01/21                 | 45  | 51,525    |
| Calpine Corp. (b):                            |     |           |
| 7.25%, 10/15/17                               | 30  | 32,100    |
| 7.50%, 2/15/21                                | 15  | 16,650    |
| 7.88%, 1/15/23                                | 70  | 79,100    |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | 330 | 363,825   |
| Energy Future Intermediate Holding Co. LLC:   |     |           |
| 6.88%, 8/15/17 (b)                            | 50  | 51,063    |
| 10.00%, 12/01/20                              | 508 | 570,230   |
| 11.75%, 3/01/22 (b)                           | 93  | 99,045    |
| GenOn REMA LLC, 9.24%, 7/02/17                | 70  | 75,265    |
| Laredo Petroleum, Inc.:                       |     |           |
| 9.50%, 2/15/19                                | 90  | 102,150   |
| 7.38%, 5/01/22                                | 60  | 64,500    |
| QEP Resources, Inc., 5.38%, 10/01/22          | 56  | 57,400    |
|   |     | 1,562,853 |

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>                                      |              |            |
| <b>Industrial Conglomerates 2.1%</b>                        |              |            |
| Sequa Corp. (b):  |              |            |
| 11.75%, 12/01/15  | USD 350      | \$ 367,500 |
| 13.50%, 12/01/15  | 586          | 620,924    |
|   |              | 988,424    |
| <b>Insurance 0.4%</b>                                       |              |            |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)               | 61           | 66,719     |
| Genworth Financial, Inc., 7.63%, 9/24/21                    | 70           | 71,526     |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)           | 40           | 35,800     |
|   |              | 174,045    |
| <b>IT Services 3.2%</b>                                     |              |            |
| Ceridian Corp., 8.88%, 7/15/19 (b)                          | 245          | 262,763    |
| Epicor Software Corp., 8.63%, 5/01/19                       | 87           | 89,610     |
| First Data Corp.:   |              |            |
| 7.38%, 6/15/19 (b)  | 265          | 273,612    |
| 8.88%, 8/15/20 (b)  | 90           | 98,100     |
| 6.75%, 11/01/20 (b)   | 150          | 148,875    |
| 8.25%, 1/15/21 (b)  | 100          | 99,125     |
| 12.63%, 1/15/21   | 266          | 269,325    |
| SunGard Data Systems, Inc.:                                 |              |            |
| 7.38%, 11/15/18   | 150          | 159,375    |
| 7.63%, 11/15/20   | 100          | 107,250    |
|   |              | 1,508,035  |
| <b>Machinery 1.3%</b>                                       |              |            |
| SPX Corp., 6.88%, 9/01/17                                   | 30           | 33,300     |
| UR Merger Sub Corp. (b):                                    |              |            |
| 5.75%, 7/15/18  | 43           | 45,472     |
| 7.38%, 5/15/20  | 75           | 79,500     |
| 7.63%, 4/15/22  | 421          | 454,680    |
|   |              | 612,952    |
| <b>Media 14.2%</b>  |              |            |
| Affinion Group, Inc., 7.88%, 12/15/18                       | 130          | 92,950     |
| AMC Networks, Inc., 7.75%, 7/15/21                          | 40           | 45,300     |
| CCO Holdings LLC:   |              |            |
| 6.50%, 4/30/21  | 178          | 190,905    |
| 5.25%, 9/30/22  | 160          | 158,400    |
| Cengage Learning Acquisitions, Inc., 11.50%,<br>4/15/20 (b) | 195          | 205,237    |
| Checkout Holding Corp., 16.03%, 11/15/15 (b)(d)             | 110          | 67,100     |
| Cinemark USA, Inc., 8.63%, 6/15/19                          | 35           | 39,200     |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21       | 76           | 65,170     |
| Clear Channel Worldwide Holdings, Inc.:                     |              |            |
| Series A, 9.25%, 12/15/17                                   | 246          | 266,295    |
| Series B, 9.25%, 12/15/17                                   | 882          | 958,072    |
| Series B, 7.63%, 3/15/20                                    | 271          | 262,870    |
| Cox Enterprises, Inc.:                                      |              |            |
| Loan Close 2, 12.00%, 8/15/18                               | 131          | 131,141    |
| Loan Close 3, 4.00%, 8/15/18                                | 150          | 149,932    |
| Shares Loan, 12.00%, 8/15/18                                | 155          | 154,633    |
| CSC Holdings LLC, 8.50%, 4/15/14                            | 80           | 87,900     |

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|  |     |         |
|--|-----|---------|
| DISH DBS Corp., 5.88%, 7/15/22 (b)                   | 250 | 251,875 |
| Harron Communications LP, 9.13%, 4/01/20 (b)         | 60  | 64,950  |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b)    | 130 | 140,075 |
| Intelsat Luxembourg SA:                              |     |         |
| 11.25%, 6/15/16                                      | 139 | 146,298 |
| 11.25%, 2/04/17                                      | 210 | 220,500 |
| 11.50%, 2/04/17 (c)                                  | 153 | 160,650 |
| Interactive Data Corp., 10.25%, 8/01/18              | 220 | 248,050 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | 55  | 61,463  |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Media (concluded)</b>   |              |            |
| Kabel Deutschland Vertrieb und Service GmbH,<br>6.50%, 6/29/18                     | EUR 100      | \$ 135,528 |
| Lamar Media Corp., 5.88%, 2/01/22  | USD 25       | 26,500     |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)                                | 125          | 133,750    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b)                             | 94           | 104,810    |
| The New York Times Co., 6.63%, 12/15/16  | 225          | 244,125    |
| Nielsen Finance LLC, 7.75%, 10/15/18   | 600          | 675,000    |
| ProQuest LLC, 9.00%, 10/15/18 (b)  | 85           | 77,988     |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(h)                                    | 414          | 207        |
| Truven Health Analytics, Inc., 10.63%,<br>6/01/20 (b)(g)                           | 90           | 96,075     |
| Unitymedia GmbH, 9.50%, 3/15/21  | EUR 100      | 143,546    |
| Unitymedia Hessen GmbH & Co. KG:<br>(FKA UPC Germany GmbH), 8.13%,<br>12/01/17 (b) | USD 500      | 541,250    |
| 7.50%, 3/15/19   | EUR 112      | 154,257    |
| WaveDivision Escrow LLC/WaveDivision<br>Escrow Corp., 8.13%, 9/01/20 (b)           | USD 45       | 46,350     |
| Ziggo Bond Co. BV, 8.00%, 5/15/18  | EUR 65       | 89,728     |
|  |              | 6,638,080  |
| <b>Metals &amp; Mining 2.9%</b>  |              |            |
| FMG Resources August 2006 Property Ltd. (b):<br>6.88%, 2/01/18                     | USD 60       | 57,150     |
| 6.88%, 4/01/22   | 30           | 27,600     |
| Global Brass and Copper, Inc., 9.50%, 6/01/19 (b)                                  | 50           | 52,625     |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)   | 85           | 97,963     |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 (b)  | 35           | 37,100     |
| New Gold, Inc., 7.00%, 4/15/20 (b)   | 25           | 26,313     |
| New World Resources NV, 7.88%, 5/01/18   | EUR 110      | 137,666    |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (e)                              | USD 90       | 114,413    |
| Novelis, Inc., 8.75%, 12/15/20   | 545          | 609,037    |
| Schmolz + Bickenbach Luxembourg SA, 9.88%,<br>5/15/19                              | EUR 100      | 101,567    |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (b)   | USD 40       | 41,400     |
| Taseko Mines Ltd., 7.75%, 4/15/19  | 70           | 66,675     |
|  |              | 1,369,509  |
| <b>Multiline Retail 0.3%</b>   |              |            |
| Dollar General Corp., 4.13%, 7/15/17   | 134          | 139,360    |
| <b>Oil, Gas &amp; Consumable Fuels 12.0%</b>                                       |              |            |
| Access Midstream Partners LP, 6.13%, 7/15/22                                       | 45           | 46,688     |
| Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (e)                                | 129          | 115,777    |
| Alpha Natural Resources, Inc.:   |              |            |
| 6.00%, 6/01/19   | 55           | 49,500     |
| 6.25%, 6/01/21   | 45           | 40,275     |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b)                                     | 115          | 120,175    |
| Berry Petroleum Co., 6.38%, 9/15/22  | 70           | 74,550     |

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|  |     |         |
|--|-----|---------|
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (b) | 40  | 40,800  |
| CCS, Inc., 11.00%, 11/15/15 (b)                  | 95  | 98,325  |
| Chaparral Energy, Inc., 7.63%, 11/15/22 (b)      | 35  | 37,013  |
| Chesapeake Energy Corp.:                         |     |         |
| 7.25%, 12/15/18                                  | 5   | 5,238   |
| 6.63%, 8/15/20                                   | 30  | 30,825  |
| 6.88%, 11/15/20                                  | 30  | 31,125  |
| 6.13%, 2/15/21                                   | 95  | 94,287  |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)    | 20  | 21,300  |
| Concho Resources, Inc.:                          |     |         |
| 7.00%, 1/15/21                                   | 25  | 27,875  |
| 6.50%, 1/15/22                                   | 20  | 21,600  |
| 5.50%, 10/01/22                                  | 80  | 82,600  |
| Consol Energy, Inc., 8.25%, 4/01/20              | 305 | 328,637 |
| Continental Resources, Inc., 7.13%, 4/01/21      | 60  | 67,200  |
| Copano Energy LLC, 7.13%, 4/01/21                | 50  | 52,250  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Corporate Bonds</b>   |              |           |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                     |              |           |
| Crosstex Energy LP:  |              |           |
| 8.88%, 2/15/18   | USD 30       | \$ 32,025 |
| 7.13%, 6/01/22 (b)   | 25           | 24,875    |
| Denbury Resources, Inc., 8.25%, 2/15/20                                | 9            | 10,215    |
| Energy XXI Gulf Coast, Inc.:   |              |           |
| 9.25%, 12/15/17  | 90           | 100,350   |
| 7.75%, 6/15/19   | 150          | 159,375   |
| EP Energy LLC/Everest Acquisition Finance, Inc.,<br>7.75%, 9/01/22 (b) | 35           | 35,088    |
| EP Energy LLC/EP Energy Finance, Inc., 6.88%,<br>5/01/19 (b)           | 55           | 58,988    |
| EV Energy Partners LP, 8.00%, 4/15/19                                  | 25           | 25,813    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)                                | 125          | 137,500   |
| Holly Energy Partners LP, 6.50%, 3/01/20 (b)                           | 25           | 26,125    |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (b)                            | 60           | 63,750    |
| Linn Energy LLC:   |              |           |
| 6.50%, 5/15/19 (b)   | 15           | 14,925    |
| 6.25%, 11/01/19 (b)  | 385          | 380,187   |
| 8.63%, 4/15/20   | 40           | 43,200    |
| 7.75%, 2/01/21   | 75           | 78,187    |
| MarkWest Energy Partners LP:   |              |           |
| 6.25%, 6/15/22   | 15           | 15,938    |
| 5.50%, 2/15/23   | 45           | 46,013    |
| Newfield Exploration Co., 6.88%, 2/01/20                               | 135          | 147,487   |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 (b)                         | 55           | 56,100    |
| Oasis Petroleum, Inc.:   |              |           |
| 7.25%, 2/01/19   | 45           | 47,475    |
| 6.50%, 11/01/21  | 50           | 51,000    |
| Offshore Group Investments Ltd.:                                       |              |           |
| 11.50%, 8/01/15 (b)  | 220          | 243,100   |
| 11.50%, 8/01/15  | 55           | 60,775    |
| OGX Petroleo e Gas Participações SA (b):                               |              |           |
| 8.50%, 6/01/18   | 900          | 798,750   |
| 8.38%, 4/01/22   | 200          | 170,000   |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (b)                                | 50           | 52,250    |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (b)                            | 220          | 224,950   |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)                        | 95           | 101,412   |
| Pioneer Natural Resources Co.:   |              |           |
| 6.88%, 5/01/18   | 75           | 90,802    |
| 7.50%, 1/15/20   | 25           | 31,267    |
| Range Resources Corp.:   |              |           |
| 8.00%, 5/15/19   | 20           | 22,100    |
| 5.75%, 6/01/21   | 160          | 170,200   |
| 5.00%, 8/15/22   | 74           | 77,052    |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16               | 100          | 107,000   |
| Samson Investment Co., 9.75%, 2/15/20 (b)                              | 16           | 16,480    |
| SandRidge Energy, Inc.:  |              |           |
| 7.50%, 3/15/21   | 45           | 45,563    |
| 7.50%, 3/15/21 (b)   | 110          | 111,375   |

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|  |    |           |
|--|----|-----------|
| 8.13%, 10/15/22 (b)                        | 45 | 47,025    |
| 7.50%, 2/15/23 (b)                         | 95 | 95,475    |
| <b>SESI LLC:</b>                           |    |           |
| 6.38%, 5/01/19                             | 55 | 58,300    |
| 7.13%, 12/15/21                            | 40 | 44,500    |
| <b>SM Energy Co.:</b>                      |    |           |
| 6.63%, 2/15/19                             | 20 | 20,900    |
| 6.50%, 11/15/21                            | 45 | 47,025    |
| 6.50%, 1/01/23 (b)                         | 20 | 20,850    |
| Vanguard Natural Resources, 7.88%, 4/01/20 | 40 | 40,000    |
|  |    | 5,637,807 |

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Corporate Bonds</b>   |                      |              |
| <b>Paper &amp; Forest Products 1.2%</b>                                |                      |              |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)                      | USD 22               | \$ 20,338    |
| <b>Boise Paper Holdings LLC:</b>                                       |                      |              |
| 9.00%, 11/01/17  | 15                   | 16,613       |
| 8.00%, 4/01/20   | 5                    | 5,525        |
| <b>Clearwater Paper Corp.:</b>   |                      |              |
| 10.63%, 6/15/16  | 70                   | 78,225       |
| 7.13%, 11/01/18  | 95                   | 103,787      |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (b)          | 55                   | 56,925       |
| NewPage Corp., 11.38%, 12/31/14 (a)(h)                                 | 365                  | 247,287      |
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (b)                          | 25                   | 23,125       |
|  |                      | 551,825      |
| <b>Pharmaceuticals 0.8%</b>  |                      |              |
| Pharmaceutical Product Development, Inc., 9.50%,<br>12/01/19 (b)       | 30                   | 33,450       |
| Spectrum Brands, Inc., 6.75%, 3/15/20 (b)                              | 45                   | 47,250       |
| Valeant Pharmaceuticals International, 6.50%,<br>7/15/16 (b)           | 290                  | 305,950      |
|  |                      | 386,650      |
| <b>Professional Services 0.6%</b>                                      |                      |              |
| <b>FTI Consulting, Inc.:</b>   |                      |              |
| 7.75%, 10/01/16  | 100                  | 102,875      |
| 6.75%, 10/01/20  | 150                  | 160,125      |
|  |                      | 263,000      |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                      |                      |              |
| Felcor Lodging LP, 6.75%, 6/01/19                                      | 215                  | 230,587      |
| The Rouse Co. LP, 6.75%, 11/09/15                                      | 85                   | 89,569       |
|  |                      | 320,156      |
| <b>Real Estate Management &amp; Development 2.2%</b>                   |                      |              |
| CBRE Services, Inc., 6.63%, 10/15/20                                   | 55                   | 60,087       |
| Crescent Resources LLC/Crescent Ventures, Inc.,<br>10.25%, 8/15/17 (b) | 120                  | 123,000      |
| <b>Realogy Corp.:</b>  |                      |              |
| 11.50%, 4/15/17  | 60                   | 63,750       |
| 12.00%, 4/15/17  | 15                   | 15,713       |
| 7.88%, 2/15/19 (b)   | 345                  | 355,350      |
| 7.63%, 1/15/20 (b)   | 120                  | 130,800      |
| 9.00%, 1/15/20 (b)   | 55                   | 59,400       |
| Shea Homes LP, 8.63%, 5/15/19  | 205                  | 228,062      |
|  |                      | 1,036,162    |
| <b>Road &amp; Rail 1.0%</b>  |                      |              |
| Florida East Coast Railway Corp., 8.13%, 2/01/17                       | 80                   | 84,000       |
| <b>The Hertz Corp.:</b>  |                      |              |
| 7.50%, 10/15/18  | 130                  | 140,238      |
| 6.75%, 4/15/19 (b)   | 50                   | 52,500       |
| 7.38%, 1/15/21   | 165                  | 179,437      |
|  |                      | 456,175      |

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|   |     |         |
|---|-----|---------|
| <b>Semiconductors &amp; Semiconductor</b>                         |     |         |
| <b>Equipment 0.1%</b>   |     |         |
| Spanion LLC, 7.88%, 11/15/17                                      | 50  | 48,750  |
| <b>Software 1.4%</b>  |     |         |
| Audatex North America, Inc., 6.75%, 6/15/18 (b)                   | 90  | 96,525  |
| Infor US, Inc. (FKA Lawson Software, Inc.), 9.38%,<br>4/01/19 (b) | 280 | 303,100 |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)                   | 145 | 148,262 |
| Sophia LP, 9.75%, 1/15/19 (b)                                     | 78  | 83,850  |
|   |     | 631,737 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Corporate Bonds</b>                             |              |                   |
| <b>Specialty Retail 3.2%</b>                       |              |                   |
| Asbury Automotive Group, Inc.:                     |              |                   |
| 7.63%, 3/15/17                                     | USD 60       | \$ 62,250         |
| 8.38%, 11/15/20                                    | 60           | 66,300            |
| Claire s Stores, Inc., 9.00%, 3/15/19 (b)          | 85           | 88,187            |
| House of Fraser Funding Plc, 8.88%, 8/15/18        | GBP 100      | 141,120           |
| Limited Brands, Inc.:                              |              |                   |
| 8.50%, 6/15/19                                     | USD 140      | 168,000           |
| 5.63%, 2/15/22                                     | 25           | 26,313            |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b)      | 133          | 140,647           |
| Penske Automotive Group, Inc., 5.75%, 10/01/22 (b) | 90           | 91,800            |
| Phones4u Finance Plc, 9.50%, 4/01/18               | GBP 100      | 153,228           |
| QVC, Inc. (b):                                     |              |                   |
| 7.13%, 4/15/17                                     | USD 40       | 42,309            |
| 7.50%, 10/01/19                                    | 100          | 110,801           |
| 7.38%, 10/15/20                                    | 55           | 61,285            |
| 5.13%, 7/02/22                                     | 71           | 74,418            |
| Sally Holdings LLC:                                |              |                   |
| 6.88%, 11/15/19                                    | 90           | 100,575           |
| 5.75%, 6/01/22                                     | 70           | 75,338            |
| Sonic Automotive, Inc., 9.00%, 3/15/18             | 65           | 71,013            |
|  |              | 1,473,584         |
| <b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>   |              |                   |
| Levi Strauss & Co., 6.88%, 5/01/22                 | 75           | 77,813            |
| <b>Trading Companies &amp; Distributors 1.1%</b>   |              |                   |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (b)          | 90           | 93,600            |
| Doric Nimrod Air Finance Alpha Ltd. (b):           |              |                   |
| Series 2012-1, Class A, 5.13%, 11/30/24            | 200          | 203,000           |
| Series 2012-1, Class B, 6.50%, 5/30/21             | 200          | 202,364           |
|  |              | 498,964           |
| <b>Transportation Infrastructure 0.3%</b>          |              |                   |
| Aguila 3 SA, 7.88%, 1/31/18                        | 150          | 158,063           |
| <b>Wireless Telecommunication Services 5.1%</b>    |              |                   |
| Cricket Communications, Inc.:                      |              |                   |
| 7.75%, 5/15/16                                     | 250          | 263,750           |
| 7.75%, 10/15/20                                    | 35           | 33,950            |
| Digicel Group Ltd. (b):                            |              |                   |
| 9.13%, 1/15/15                                     | 294          | 296,940           |
| 8.25%, 9/01/17                                     | 330          | 349,800           |
| 10.50%, 4/15/18                                    | 200          | 216,000           |
| Matterhorn Mobile Holdings SA, 8.25%, 2/15/20      | EUR 100      | 136,157           |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20           | USD 110      | 113,850           |
| NII Capital Corp., 7.63%, 4/01/21                  | 35           | 27,037            |
| SBA Telecommunications, Inc., 5.75%, 7/15/20 (b)   | 48           | 50,160            |
| Sprint Capital Corp., 6.88%, 11/15/28              | 283          | 256,115           |
| Sprint Nextel Corp. (b):                           |              |                   |
| 9.00%, 11/15/18                                    | 350          | 413,000           |
| 7.00%, 3/01/20                                     | 210          | 229,950           |
|  |              | 2,386,709         |
| <b>Total Corporate Bonds 106.7%</b>                |              | <b>50,024,556</b> |

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**Floating Rate Loan Interests (f)**

|  |    |  |        |
|--|----|--|--------|
| <b>Airlines 0.2%</b>   |    |  |        |
| Delta Air Lines, Inc., Term Loan B, 5.50%, 4/20/17             | 96 |  | 97,050 |
| <b>Auto Components 0.2%</b>                                    |    |  |        |
| Schaeffler AG, Term Loan C2, 6.00%, 1/27/17                    | 70 |  | 70,204 |
| <b>Building Products 0.0%</b>                                  |    |  |        |
| Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17 | 16 |  | 16,118 |

| <b>Floating Rate Loan Interests (f)</b>              | <b>Par (000)</b> |    | <b>Value</b> |
|--|------------------|----|--------------|
| <b>Capital Markets 0.7%</b>                          |                  |    |              |
| American Capital Holdings, Term Loan, 5.50%, 7/19/16 | USD 136          | \$ | 136,510      |
| Nuveen Investments, Inc.:                            |                  |    |              |
| Incremental Term Loan, 7.25%, 5/13/17                | 110              |    | 110,495      |
| New Second Lien Term Loan, 8.25%, 2/28/19            | 70               |    | 70,438       |
|  |                  |    | 317,443      |

|  |     |  |         |
|--|-----|--|---------|
| <b>Chemicals 0.5%</b>                                  |     |  |         |
| Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19      | 30  |  | 30,281  |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18 | 195 |  | 194,797 |
|  |     |  | 225,078 |

|  |     |  |         |
|--|-----|--|---------|
| <b>Commercial Services &amp; Supplies 0.8%</b>                     |     |  |         |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16          | 105 |  | 105,284 |
| Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16                 | 100 |  | 101,000 |
| Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16 | 162 |  | 162,113 |
|  |     |  | 368,397 |

|   |     |  |         |
|---|-----|--|---------|
| <b>Communications Equipment 0.8%</b>                    |     |  |         |
| Avaya, Inc., Non-Extended Term Loan B1, 3.18%, 10/24/14 | 40  |  | 38,198  |
| Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19            | 340 |  | 344,995 |
|   |     |  | 383,193 |

|   |     |  |         |
|---|-----|--|---------|
| <b>Construction &amp; Engineering 0.5%</b>            |     |  |         |
| Safway Services LLC, Mezzanine Loan, 15.63%, 12/16/17 | 250 |  | 250,000 |

|   |     |  |         |
|---|-----|--|---------|
| <b>Construction Materials 0.4%</b>              |     |  |         |
| HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17 | 185 |  | 189,009 |

|  |     |  |         |
|--|-----|--|---------|
| <b>Consumer Finance 1.7%</b>   |     |  |         |
| Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17 | 840 |  | 811,230 |

|  |    |  |        |
|--|----|--|--------|
| <b>Diversified Consumer Services 0.1%</b>                    |    |  |        |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18 | 25 |  | 24,263 |
| ServiceMaster Co.:   |    |  |        |
| Delayed Draw Term Loan, 2.74%, 7/24/14                       | 1  |  | 1,330  |
| Term Loan, 2.75% 2.97%, 7/24/14                              | 13 |  | 13,359 |
|  |    |  | 38,952 |

|  |     |  |         |
|--|-----|--|---------|
| <b>Diversified Financial Services 0.5%</b> |     |  |         |
| Residential Capital LLC:                   |     |  |         |
| DIP Term Loan A1, 5.00%, 11/18/13          | 210 |  | 210,525 |
| DIP Term Loan A2, 6.75%, 11/18/13          | 30  |  | 30,350  |
|  |     |  | 240,875 |

|  |     |  |         |
|--|-----|--|---------|
| <b>Diversified Telecommunication Services 0.5%</b> |     |  |         |
| Level 3 Financing, Inc.:                           |     |  |         |
| 2016 Term Loan B, 4.75%, 2/01/16                   | 50  |  | 50,100  |
| 2019 Term Loan B, 5.25%, 8/01/19                   | 40  |  | 40,058  |
| Term Loan B3, 5.75%, 8/31/18                       | 150 |  | 150,396 |



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|   |     |           |
|---|-----|-----------|
|   |     | 240,554   |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b>    |     |           |
| CDW LLC, Extended Term Loan, 4.00%, 7/14/17                       | 49  | 48,623    |
| <b>Energy Equipment &amp; Services 2.2%</b>                       |     |           |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16 | 333 | 345,572   |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16               | 610 | 638,255   |
| Tervita Corp., Incremental Term Loan, 6.50%, 10/17/14             | 45  | 44,738    |
|   |     | 1,028,565 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Floating Rate Loan Interests (f)</b>  |              |           |
| <b>Food &amp; Staples Retailing 0.0%</b>   |              |           |
| US Foods, Inc. (FKA US Foodservice, Inc.),<br>Extended Term Loan B, 5.75%, 3/31/17 | USD 15       | \$ 14,359 |
| <b>Food Products 0.3%</b>  |              |           |
| Advance Pierre Foods, Term Loan (Second Lien),<br>11.25%, 9/29/17                  | 135          | 135,810   |
| <b>Health Care Equipment &amp; Supplies 0.5%</b>                                   |              |           |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19                                   | 65           | 65,216    |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19                                   | 130          | 130,161   |
| LHP Hospital Group, Inc., Term Loan, 9.00%,<br>7/03/18                             | 45           | 45,338    |
|  |              | 240,715   |
| <b>Health Care Providers &amp; Services 0.6%</b>                                   |              |           |
| Harden Healthcare LLC:   |              |           |
| Add on Term Loan A, 7.75%, 3/02/15   | 74           | 71,526    |
| Term Loan A, 8.50%, 3/02/15  | 62           | 61,201    |
| inVentiv Health, Inc., Combined Term Loan, 6.50%,<br>8/04/16                       | 146          | 136,176   |
|  |              | 268,903   |
| <b>Hotels, Restaurants &amp; Leisure 1.3%</b>                                      |              |           |
| Caesars Entertainment Operating Co., Inc.:   |              |           |
| Extended Term Loan B6, 5.49%, 1/26/18  | 35           | 30,767    |
| Incremental Term Loan B4, 9.50%, 10/31/16  | 85           | 86,234    |
| Term Loan B1, 3.24%, 1/28/15   | 62           | 58,795    |
| Term Loan B2, 3.24%, 1/28/15   | 74           | 70,023    |
| Term Loan B3, 3.24% 3.46%, 1/28/15   | 165          | 156,762   |
| OSI Restaurant Partners LLC:   |              |           |
| Revolver, 2.49% 2.56%, 6/14/13   | 2            | 1,782     |
| Term Loan B, 2.56%, 6/14/14  | 18           | 17,957    |
| Sabre, Inc., Non-Extended Initial Term Loan, 2.23%,<br>9/30/14                     | 13           | 12,592    |
| Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16                                | 145          | 137,442   |
| Travelport LLC:  |              |           |
| Extended Tranche A Term Loan, 6.44%, 9/28/12                                       | 31           | 9,372     |
| Extended Tranche B Term Loan, 13.94%,<br>12/01/16                                  | 101          | 8,057     |
|  |              | 589,783   |
| <b>Industrial Conglomerates 0.1%</b>   |              |           |
| Sequa Corp.:   |              |           |
| Incremental Term Loan, 6.25%, 12/03/14   | 30           | 29,812    |
| Term Loan, 3.69% 3.72%, 12/03/14   | 25           | 24,828    |
|  |              | 54,640    |
| <b>IT Services 0.3%</b>  |              |           |
| Ceridian Corp., Extended Term Loan, 5.99%,<br>5/09/17                              | 12           | 11,871    |
| First Data Corp., Extended 2018 Term Loan B, 4.24%,<br>3/23/18                     | 130          | 122,742   |
|  |              | 134,613   |
| <b>Leisure Equipment &amp; Products 0.2%</b>                                       |              |           |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/19/13                              | 110          | 109,350   |



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|  |     |         |
|--|-----|---------|
| NXP BV, Term Loan A-2, 5.50%, 3/03/17                                      | 10  | 10,068  |
| <b>Software 0.4%</b>   |     |         |
| Infor US, Inc. (FKA Lawson Software, Inc.),<br>Term Loan B, 6.25%, 4/05/18 | 204 | 206,590 |
| <b>Specialty Retail 0.1%</b>   |     |         |
| Claire's Stores, Inc., Term Loan B, 2.98% - 3.20%,<br>5/29/14              | 63  | 61,706  |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000)  | Value        |
|--|---------------|--------------|
| <b>Floating Rate Loan Interests (f)</b>  |               |              |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>   |               |              |
| Ascend Performance Materials LLC, Term Loan B,<br>6.75%, 4/10/18   | USD 185       | \$ 182,845   |
| <b>Wireless Telecommunication Services 1.2%</b>  |               |              |
| Crown Castle International Corp., Term Loan B,<br>4.00%, 1/31/19   | 10            | 9,863        |
| Vodafone Americas Finance 2, Inc. (c):   |               |              |
| Term Loan, 6.88%, 8/11/15  | 277           | 287,957      |
| Term Loan B, 6.25%, 7/11/16  | 258           | 262,969      |
|  |               | 560,789      |
| <b>Total Floating Rate Loan Interests 22.8%</b>  |               | 10,685,301   |
| <b>Preferred Securities</b>  |               |              |
| <b>Capital Trusts 0.2%</b>   |               |              |
| <b>Insurance 0.2%</b>  |               |              |
| Genworth Financial, Inc., 6.15%, 11/15/66 (f)  | 145           | 87,000       |
| <b>Preferred Stocks</b>  |               |              |
| <b>Shares</b>  |               |              |
| <b>Auto Components 0.4%</b>  |               |              |
| Dana Holding Corp., 4.00% (b)(e)   | 1,800         | 210,375      |
| <b>Diversified Financial Services 1.3%</b>   |               |              |
| Ally Financial, Inc., 7.00% (b)  | 660           | 600,992      |
| <b>Total Preferred Stocks 1.7%</b>   |               | 811,367      |
| <b>Trust Preferreds</b>  |               |              |
| <b>Diversified Financial Services 0.9%</b>   |               |              |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (f)   | 12,320        | 304,462      |
| RBS Capital Funding Trust VII, 6.08% (a)(f)(h)(i)  | 5,100         | 87,414       |
| <b>Total Trust Preferreds 0.9%</b>   |               | 391,876      |
| <b>Total Preferred Securities 2.8%</b>   |               | 1,290,243    |
| <b>Warrants (j)</b>  |               |              |
| <b>Diversified Telecommunication Services 0.0%</b>   |               |              |
| NEON Communications, Inc. (Expires 12/02/12)   | 53,622        | 1            |
| <b>Software 0.0%</b>   |               |              |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17)   | 61            |              |
| HMH Holdings/EduMedia (Issued/Exercisable<br>3/09/10, 19 Shares for 1 Warrant,<br>Expires 6/22/19, Strike Price \$42.27) | 176           |              |
| <b>Total Warrants 0.0%</b>   |               | 1            |
| <b>Total Long-Term Investments</b>   |               |              |
| <b>(Cost \$61,521,901) 136.6%</b>  |               | 64,039,715   |
| <b>Short-Term Securities</b>   | <b>Shares</b> | <b>Value</b> |
|  | 1,204,968     | \$ 1,204,968 |

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BlackRock Liquidity Funds, TempFund,  
Institutional Class, 0.15% (k)(l)

**Total Short-Term Securities**

(Cost \$1,204,968) 2.6% 1,204,968

|   |                  |
|---|------------------|
| <b>Options Purchased</b>  | <b>Contracts</b> |
| <b>Over-the-Counter Call Options 0.0%</b>   |                  |
| Marsico Parent Superholdco LLC, Strike Price<br>USD 942.86, Expires 12/14/19,<br>Broker Goldman Sachs Group, Inc. | 3                |
| <b>Total Options Purchased</b><br>(Cost \$2,933) 0.0%   |                  |
| <b>Total Investments (Cost \$62,729,802) 139.2%</b>   | 65,244,683       |
| <b>Liabilities in Excess of Other Assets (39.2)%</b>  | (18,368,290)     |
| <b>Net Assets 100.0%</b>  | \$ 46,876,393    |

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

| Counterparty        | Value      | Unrealized<br>Appreciation |
|---------------------|------------|----------------------------|
| JPMorgan Securities | \$ 96,075  | \$ 6,665                   |
| Goldman Sachs & Co. | \$ 272,362 | \$ 3,363                   |

- (h) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (i) Security is perpetual in nature and has no stated maturity date.
- (j) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (k) Investments in issuers considered to be an affiliate of the Trust during the year ended August 31, 2012, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

| Affiliate   | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>August 31,<br>2012 | Income |
|---|--------------------------------------|-----------------|--------------------------------------|--------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class | 421,345                              | 783,623         | 1,204,968                            | \$ 521 |

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

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock High Yield Trust (BHY)

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

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

| Contracts | Issue                             | Exchange              | Expiration        | Notional Value | Unrealized Depreciation |
|-----------|-----------------------------------|-----------------------|-------------------|----------------|-------------------------|
| 18        | S&P 500<br>E-Mini<br>Index Future | Chicago<br>Mercantile | September<br>2012 | USD 1,264,590  | \$ (87,001)             |

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

| Currency Purchased |           | Currency Sold |           | Counterparty                     | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------|---------------|-----------|----------------------------------|-----------------|--|
| USD                | 581,602   | GBP           | 373,500   | Royal Bank of Scotland Group Plc | 10/17/12        | \$ (11,373)                            |
| EUR                | 83,000    | USD           | 102,645   | Citigroup, Inc.                  | 10/22/12        | 1,806                                  |
| USD                | 1,643,704 | EUR           | 1,339,000 | UBS AG                           | 10/22/12        | (41,358)                               |
| <b>Total</b>       |           |               |           |                                  |                 | \$ (50,925)                            |

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

| Issuer                    | Pay Fixed Rate | Counterparty     | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------|------------------|-----------------|-----------------------|--|
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 20                | \$ (1,482)                             |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 15                | (1,232)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 30                | (2,137)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 15                | (766)                                  |
| MGM Resorts International | 5.00%          | Deutsche Bank AG | 6/20/15         | USD 15                | (860)                                  |
| Republic of Hungary       | 1.00%          | Deutsche Bank AG | 12/20/15        | USD 50                | 909                                    |
| The New York Times Co.    | 1.00%          | Barclays Plc     | 12/20/16        | USD 225               | (660)                                  |
| Israel (State of)         | 1.00%          | Deutsche Bank AG | 3/20/17         | USD 35                | (785)                                  |
| Israel (State of)         | 1.00%          | Deutsche Bank AG | 3/20/17         | USD 100               | (2,304)                                |
| <b>Total</b>              |                |                  |                 |                       | \$ (9,317)                             |

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

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



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|                                  |       |                           |         |           |     |     |    |         |
|----------------------------------|-------|---------------------------|---------|-----------|-----|-----|----|---------|
| Air Lease Corp.                  | 5.00% | Goldman Sachs Group, Inc. | 2/14/13 | Not Rated | USD | 100 | \$ | 1,658   |
| CIT Group, Inc.                  | 5.00% | Deutsche Bank AG          | 9/20/15 | BB        | USD | 500 |    | 65,031  |
| ARAMARK Corp.                    | 5.00% | Credit Suisse Group AG    | 9/20/16 | B         | USD | 50  |    | 5,974   |
| ARAMARK Corp.                    | 5.00% | Goldman Sachs Group, Inc. | 9/20/16 | B         | USD | 50  |    | 5,809   |
| ARAMARK Corp.                    | 5.00% | Deutsche Bank AG          | 3/20/17 | B         | USD | 35  |    | 2,310   |
| Crown Castle International Corp. | 7.25% | Deutsche Bank AG          | 3/20/17 | B         | USD | 80  |    | 1,140   |
| Goodyear Tire & Rubber Co.       | 5.00% | Deutsche Bank AG          | 6/20/17 | B+        | USD | 50  |    | 2,330   |
| Goodyear Tire & Rubber Co.       | 5.00% | Goldman Sachs Group, Inc. | 6/20/17 | B+        | USD | 50  |    | 1,762   |
| CCO Holdings LLC                 | 8.00% | Deutsche Bank AG          | 9/20/17 | BB        | USD | 280 |    | 22,810  |
| <b>Total</b>                     |       |                           |         |           |     |     | \$ | 108,824 |

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

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

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

| Index   | Pay Fixed Rate | Counterparty           | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|---|----------------|------------------------|-----------------|-----------------------|-------------------------|
| Dow Jones CDX North America High Yield Series 18, Version 2 | 5.00%          | Credit Suisse Group AG | 6/20/17         | USD 297               | \$ (963)                |

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

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

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

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock High Yield Trust (BHY)

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

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

|                              | Level 1      | Level 2       | Level 3      | Total         |
|------------------------------|--------------|---------------|--------------|---------------|
| <b>Assets:</b>               |              |               |              |               |
| Investments:                 |              |               |              |               |
| Long-Term Investments:       |              |               |              |               |
| Common Stocks                | \$ 1,958,830 | \$ 80,783     | \$ 1         | \$ 2,039,614  |
| Corporate Bonds              |              | 49,386,538    | 638,018      | 50,024,556    |
| Floating Rate Loan Interests |              | 8,786,761     | 1,898,540    | 10,685,301    |
| Preferred Securities         | 391,876      | 898,367       |              | 1,290,243     |
| Warrants                     |              |               | 1            | 1             |
| Short-Term Securities        | 1,204,968    |               |              | 1,204,968     |
| <b>Total</b>                 | \$ 3,555,674 | \$ 59,152,449 | \$ 2,536,560 | \$ 65,244,683 |

|   | Level 1     | Level 2     | Level 3   | Total       |
|---|-------------|-------------|-----------|-------------|
| Derivative Financial Instruments <sup>1</sup> |             |             |           |             |
| <b>Assets:</b>                                |             |             |           |             |
| Credit contracts                              |             | \$ 19,094   | \$ 90,639 | \$ 109,733  |
| Foreign currency exchange contracts           |             | 1,806       |           | 1,806       |
| <b>Liabilities:</b>                           |             |             |           |             |
| Credit contracts                              |             | (11,189)    |           | (11,189)    |
| Equity contracts                              | \$ (87,001) |             |           | (87,001)    |
| Foreign currency exchange contracts           |             | (52,731)    |           | (52,731)    |
| <b>Total</b>                                  | \$ (87,001) | \$ (43,020) | \$ 90,639 | \$ (39,382) |

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

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1   | Level 2 | Level 3 | Total     |
|--|-----------|---------|---------|-----------|
| <b>Assets:</b>   |           |         |         |           |
| Foreign currency at value                                  | \$ 24,065 |         |         | \$ 24,065 |
| Cash pledged as collateral for financial futures contracts | 71,000    |         |         | 71,000    |

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**Liabilities:**

|              |           |                 |                 |
|--------------|-----------|-----------------|-----------------|
| Loan payable |           | \$ (19,000,000) | (19,000,000)    |
| <b>Total</b> | \$ 95,065 | \$ (19,000,000) | \$ (18,904,935) |

Prior to February 29, 2012, only significant transfers between Level 1 and Level 2 were required to be disclosed. There were no significant transfers from the beginning of the period to February 29, 2012. For the interim period March 1, 2012 through August 31, 2012, all transfers between Level 1 and Level 2 are required to be disclosed. As of February 29, 2012, the Trust used observable inputs in determining the value of certain equity securities. During the year, the Trust began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$1,095,341 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

|                                 | Value        | Valuation Techniques        | Unobservable Inputs <sup>2</sup>      | Range of<br>of Unobservable<br>Inputs | Weighted Average<br>Inputs <sup>3</sup> |
|---------------------------------|--------------|-----------------------------|---------------------------------------|---------------------------------------|---|
| <b>Assets:</b>                  |              |                             |                                       |                                       |   |
| Corporate Bonds                 | \$ 637,811   | Market Comparable Companies | Yield<br>EBITDA Multiple              | 7.00% 9.67%<br>6.0x                   | 8.82%<br>6.0x                           |
| Floating Rate Loan<br>Interests | 500,360      | Market Comparable Companies | Illiquidity Discount<br>Yield<br>Cost | 50%<br>9.65%                          | 50%<br>9.65%                            |
| <b>Total<sup>5</sup></b>        | \$ 1,138,171 |                             | N/A <sup>4</sup>                      |                                       |   |

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

| Unobservable Input   | Impact to<br>Value if Input Increases | Impact to<br>Value if Input Decreases |
|----------------------|---------------------------------------|---------------------------------------|
| EBITDA Multiple      | Increase                              | Decrease                              |
| Yield                | Decrease                              | Increase                              |
| Illiquidity Discount | Decrease                              | Increase                              |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock High Yield Trust (BHY)

- <sup>4</sup> The Trust fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Trust.
- <sup>5</sup> Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

|   | Common<br>Stocks | Corporate<br>Bonds | Floating Rate<br>Loan Interests | Other<br>Interests | Preferred<br>Securities | Warrants  | Total        |
|---|------------------|--------------------|---------------------------------|--------------------|-------------------------|-----------|--------------|
| <b>Assets:</b>  |                  |                    |                                 |                    |                         |           |              |
| Opening balance, as of August 31, 2011                          | \$ 27,152        | \$ 688,980         | \$ 1,642,711                    | \$ 477             | \$ 45,985               | \$ 34,922 | \$ 2,440,227 |
| Transfers into Level 3 <sup>1</sup>                             | 1                |                    | 345,543                         |                    |                         |           | 345,544      |
| Transfers out of Level 3 <sup>2</sup>                           |                  |                    | (387,187)                       |                    |                         |           | (387,187)    |
| Accrued discounts/premiums                                      |                  |                    | 10,123                          |                    |                         |           | 10,123       |
| Net realized gain (loss)  | (139,718)        | 9,120              | 5,303                           | 910                | 54,100                  |           | (70,285)     |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 112,568          | (26,239)           | (59,066)                        | (477)              | (45,985)                | (34,921)  | (54,120)     |
| Purchases   |                  | 16,904             | 562,752                         |                    |                         |           | 579,656      |
| Sales   | (2)              | (50,747)           | (221,639)                       | (910)              | (54,100)                |           | (327,398)    |
| <b>Closing Balance as of August 31, 2012</b>                    | \$ 1             | \$ 638,018         | \$ 1,898,540                    |                    |                         | \$ 1      | \$ 2,536,560 |

<sup>1</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$345,544 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$387,187 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(77,581).

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

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|   | Credit<br>Contracts |
|---|---------------------|
| <b>Assets:</b>  |                     |
| Opening balance, as of August 31, 2011                          |                     |
| Transfers into Level 3 <sup>4</sup>                             |                     |
| Transfers out of Level 3 <sup>4</sup>                           |                     |
| Accrued discounts/premiums                                      |                     |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>5</sup> | \$ 90,639           |
| Purchases   |                     |
| Issues <sup>6</sup>   |                     |
| Sales   |                     |
| Settlements <sup>7</sup>  |                     |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 90,639</b>    |

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

<sup>5</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$90,639.

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

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

See Notes to Financial Statements.

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Schedule of Investments August 31, 2012

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

| Asset-Backed Securities  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Asset-Backed Securities 6.1%</b>  |              |            |
| 321 Henderson Receivables I LLC, Series 2010-3A,<br>Class A, 3.82%, 12/15/48 (a)               | USD 757      | \$ 790,793 |
| AH Mortgage Advance Trust, Series SART-3, Class 1A1,<br>2.98%, 3/13/43 (a)                     | 630          | 634,369    |
| AmeriCredit Automobile Receivables Trust,<br>Series 2011-5, Class C, 3.44%, 10/08/17           | 400          | 411,338    |
| CarMax Auto Owner Trust, Series 2012-1:<br>Class B, 1.76%, 8/15/17                             | 210          | 212,152    |
| Class C, 2.20%, 10/16/17   | 125          | 126,840    |
| Class D, 3.09%, 8/15/18  | 160          | 161,556    |
| CenterPoint Energy Transition Bond Co. LLC,<br>Series 2012-1, Class A3, 3.03%, 10/15/25        | 1,105        | 1,197,989  |
| Credit Acceptance Auto Loan Trust, Series 2010-1,<br>Class B, 3.63%, 10/15/18 (a)              | 1,970        | 1,990,277  |
| DT Auto Owner Trust, Class C (a):<br>Series 2011-2A, 3.05%, 2/16/16                            | 1,500        | 1,500,462  |
| Series 2011-3A, 4.03%, 2/15/17   | 260          | 263,897    |
| Ford Credit Floorplan Master Owner Trust:<br>Series 2012-1, Class B, 1.14%, 1/15/16 (b)        | 180          | 180,001    |
| Series 2012-1, Class C, 1.74%, 1/15/16 (b)   | 480          | 480,002    |
| Series 2012-1, Class D, 2.34%, 1/15/16 (b)   | 450          | 450,001    |
| Series 2012-2, Class B, 2.32%, 1/15/19   | 245          | 252,208    |
| Series 2012-2, Class C, 2.86%, 1/15/19   | 105          | 107,018    |
| Series 2012-2, Class D, 3.50%, 1/15/19   | 200          | 203,357    |
| Home Equity Asset Trust, Series 2007-2, Class 2A1,<br>0.35%, 7/25/37 (b)                       | 76           | 74,949     |
| Nelnet Student Loan Trust (b):<br>Series 2006-1, Class A5, 0.54%, 8/23/27                      | 525          | 497,842    |
| Series 2008-3, Class A4, 2.08%, 11/25/24   | 620          | 649,571    |
| PFS Financing Corp., Series 2012-AA, Class A, 1.44%,<br>2/15/16 (a)(b)                         | 480          | 481,654    |
| Santander Consumer Acquired Receivables Trust (a):<br>Series 2011-S1A, Class B, 1.66%, 8/15/16 | 521          | 522,220    |
| Series 2011-S1A, Class C, 2.01%, 8/15/16   | 373          | 371,621    |
| Series 2011-S1A, Class D, 3.15%, 8/15/16   | 382          | 379,916    |
| Series 2011-WO, Class C, 3.19%, 10/15/15   | 575          | 579,272    |
| Santander Drive Auto Receivables Trust:<br>Series 2010-2, Class B, 2.24%, 12/15/14             | 870          | 874,527    |
| Series 2010-2, Class C, 3.89%, 7/17/17   | 1,020        | 1,055,676  |
| Series 2010-B, Class B, 2.10%, 9/15/14 (a)   | 700          | 702,535    |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)  | 735          | 749,049    |
| Series 2011-1, Class D, 4.01%, 2/15/17   | 940          | 960,565    |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)   | 270          | 269,363    |
| Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)   | 293          | 294,267    |
| Series 2011-S2A, Class C, 2.86%, 6/15/17 (a)   | 693          | 700,253    |
| Series 2012-1, Class B, 2.72%, 5/16/16   | 240          | 244,548    |
| Series 2012-1, Class C, 3.78%, 11/15/17  | 325          | 335,789    |
| SLM Student Loan Trust:<br>Series 2004-B, Class A2, 0.67%, 6/15/21 (b)                         | 196          | 190,944    |
| Series 2008-5, Class A3, 1.75%, 1/25/18 (b)  | 525          | 538,067    |

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|   |       |            |
|---|-------|------------|
| Series 2008-5, Class A4, 2.15%, 7/25/23 (b)   | 630   | 664,627    |
| Series 2012-A, Class A1, 1.64%, 8/15/25 (a)(b)  | 330   | 332,543    |
| Series 2012-A, Class A2, 3.83%, 1/17/45 (a)   | 345   | 368,769    |
| Series 2012-D, Class A2, 2.95%, 2/15/46 (a)   | 2,840 | 2,940,378  |
| Small Business Administration Participation<br>Certificates, Series 1996-20K, Class 1, 6.95%,<br>11/01/16 | 162   | 173,337    |
| World Financial Network Credit Card Master Trust,<br>4.55%, 8/15/22                                       | 1,180 | 1,184,931  |
|   |       | 25,099,473 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Asset-Backed Securities</b>  |              |            |
| <b>Interest Only Asset-Backed Securities 0.2%</b>                     |              |            |
| Sterling Bank Trust, Series 2004-2, Class Note,<br>2.08%, 3/30/30 (a) | USD 4,204    | \$ 332,404 |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29                        | 5,949        | 453,649    |
|   |              | 786,053    |
| <b>Total Asset-Backed Securities 6.3%</b>                             |              | 25,885,526 |

|                                       | Shares |        |
|---------------------------------------|--------|--------|
| <b>Common Stocks (c)</b>              |        |        |
| <b>Media 0.0%</b>                     |        |        |
| Cumulus Media, Inc., Class A          | 32,384 | 89,704 |
| <b>Software 0.0%</b>                  |        |        |
| Bankruptcy Management Solutions, Inc. | 152    | 1      |
| <b>Total Common Stocks 0.0%</b>       |        | 89,705 |

|   | Par<br>(000) |            |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Aerospace &amp; Defense 0.6%</b>                                       |              |            |
| United Technologies Corp. (d):  |              |            |
| 4.88%, 5/01/15  | USD 1,250    | 1,390,662  |
| 6.13%, 7/15/38  | 750          | 1,017,677  |
|   |              | 2,408,339  |
| <b>Airlines 0.6%</b>  |              |            |
| Continental Airlines, Inc., Series 2010-1, Class B,<br>6.00%, 1/12/19     | 622          | 626,172    |
| US Airways Pass-Through Trust, Series 2012-1,<br>Class C, 9.13%, 10/01/15 | 1,673        | 1,706,460  |
|   |              | 2,332,632  |
| <b>Auto Components 0.8%</b>   |              |            |
| Icahn Enterprises LP:   |              |            |
| 4.00%, 8/15/13 (a)(b)   | 2,335        | 2,335,000  |
| 8.00%, 1/15/18  | 1,000        | 1,065,000  |
|   |              | 3,400,000  |
| <b>Capital Markets 4.6%</b>   |              |            |
| CDP Financial, Inc., 5.60%, 11/25/39 (a)(d)                               | 2,955        | 3,812,139  |
| E*Trade Financial Corp., 12.50%, 11/30/17 (e)                             | 1,440        | 1,643,400  |
| The Goldman Sachs Group, Inc.:  |              |            |
| 5.38%, 3/15/20  | 1,215        | 1,309,367  |
| 5.25%, 7/27/21  | 3,175        | 3,376,000  |
| 5.75%, 1/24/22  | 1,815        | 2,002,783  |
| Lehman Brothers Holdings, Inc., 6.50%,<br>7/19/17 (c)(f)                  | 225          |            |
| Morgan Stanley:   |              |            |
| 2.94%, 5/14/13 (b)  | 1,880        | 1,892,942  |
| 4.20%, 11/20/14   | 680          | 697,586    |
| 4.00%, 7/24/15  | 400          | 407,707    |
| 6.25%, 8/28/17  | 1,925        | 2,085,828  |
| Murray Street Investment Trust I, 4.65%, 3/09/17                          | 1,640        | 1,711,829  |
|   |              | 18,939,581 |

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**Chemicals 0.2%**

|                                       |     |         |
|---------------------------------------|-----|---------|
| The Dow Chemical Co., 4.13%, 11/15/21 | 350 | 383,209 |
| INEOS Finance Plc, 8.38%, 2/15/19 (a) | 265 | 278,912 |
|                                       |     | 662,121 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Commercial Banks 3.9%</b>  |              |            |
| CIT Group, Inc.:  |              |            |
| 7.00%, 5/02/16 (a)  | USD 88       | \$ 88,447  |
| 7.00%, 5/02/17 (a)  | 347          | 347,787    |
| 5.38%, 5/15/20  | 1,650        | 1,718,063  |
| 5.00%, 8/15/22  | 440          | 443,333    |
| Cooperatieve Centrale Raiffeisen-Boerenleenbank<br>BA/Netherlands, 3.88%, 2/08/22 (d) | 1,390        | 1,447,629  |
| DEPFA ACS Bank, 5.13%, 3/16/37 (a)  | 4,150        | 2,894,625  |
| Discover Bank, 8.70%, 11/18/19  | 250          | 316,369    |
| Eksportfinans ASA, 5.50%, 6/26/17   | 1,000        | 1,015,245  |
| HSBC Bank Brasil SA Banco Multiplo, 4.00%,<br>5/11/16 (a)                             | 1,400        | 1,435,000  |
| HSBC Bank Plc, 3.10%, 5/24/16 (a)(d)  | 695          | 728,478    |
| HSBC Holdings Plc, 6.10%, 1/14/42 (d)   | 305          | 408,114    |
| Wachovia Corp., 5.25%, 8/01/14 (d)  | 3,420        | 3,679,219  |
| Wells Fargo & Co., 3.50%, 3/08/22 (d)   | 1,390        | 1,481,235  |
|   |              | 16,003,544 |
| <b>Commercial Services &amp; Supplies 0.5%</b>  |              |            |
| ARAMARK Corp., 8.50%, 2/01/15   | 18           | 18,450     |
| Clean Harbors, Inc., 5.25%, 8/01/20 (a)   | 390          | 400,238    |
| Mobile Mini, Inc., 7.88%, 12/01/20  | 1,320        | 1,415,700  |
| West Corp., 8.63%, 10/01/18   | 135          | 137,025    |
|   |              | 1,971,413  |
| <b>Communications Equipment 1.3%</b>  |              |            |
| ADC Telecommunications, Inc., 3.50%, 7/15/15  | 4,340        | 4,431,834  |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20                                     | 640          | 680,000    |
|   |              | 5,111,834  |
| <b>Construction &amp; Engineering 0.3%</b>  |              |            |
| ABB Finance USA, Inc., 4.38%, 5/08/42   | 194          | 219,085    |
| URS Corp., 5.00%, 4/01/22 (a)   | 975          | 988,641    |
|   |              | 1,207,726  |
| <b>Construction Materials 0.2%</b>  |              |            |
| HD Supply, Inc., 8.13%, 4/15/19 (a)   | 570          | 618,450    |
| Lafarge SA, 7.13%, 7/15/36  | 135          | 137,025    |
|   |              | 755,475    |
| <b>Consumer Finance 0.9%</b>  |              |            |
| Ford Motor Credit Co. LLC:  |              |            |
| 6.63%, 8/15/17  | 280          | 321,883    |
| 8.13%, 1/15/20  | 1,265        | 1,566,267  |
| SLM Corp.:  |              |            |
| 6.25%, 1/25/16  | 651          | 696,570    |
| Series A, 0.75%, 1/27/14 (b)  | 600          | 581,692    |
| Toll Brothers Finance Corp., 5.88%, 2/15/22   | 345          | 376,071    |
|   |              | 3,542,483  |
| <b>Containers &amp; Packaging 0.2%</b>  |              |            |
| Ardagh Packaging Finance Plc (a):   |              |            |
| 7.38%, 10/15/17   | EUR 425      | 565,302    |
| Series 144, 7.38%, 10/15/17   | USD 200      | 214,250    |
|   |              | 779,552    |
| <b>Diversified Financial Services 7.8%</b>  |              |            |

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|   |       |           |
|---|-------|-----------|
| Ally Financial, Inc.:                       |       |           |
| 8.30%, 2/12/15                              | 860   | 954,600   |
| 5.50%, 2/15/17                              | 1,500 | 1,560,162 |
| 6.25%, 12/01/17                             | 160   | 172,881   |
| 8.00%, 3/15/20                              | 560   | 655,200   |
| 8.00%, 11/01/31                             | 320   | 378,400   |
| Bank of America Corp., 5.63%, 7/01/20       | 1,100 | 1,219,567 |
| Capital One Financial Corp., 4.75%, 7/15/21 | 975   | 1,093,772 |
| Citigroup, Inc.:                            |       |           |
| 5.00%, 9/15/14                              | 285   | 298,130   |
| 4.59%, 12/15/15                             | 7,245 | 7,794,772 |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>                                      |              |              |
| <b>Diversified Financial Services (concluded)</b>           |              |              |
| General Electric Capital Corp., 6.75%, 3/15/32 (d)          | USD 2,500    | \$ 3,246,107 |
| JPMorgan Chase & Co.:                                       |              |              |
| 7.90% (b)(g)  | 3,500        | 3,915,240    |
| 6.30%, 4/23/19 (d)  | 1,375        | 1,678,099    |
| JPMorgan Chase Bank NA, Series BKNT, 6.00%,<br>10/01/17 (d) | 2,045        | 2,407,642    |
| Moody's Corp., 4.50%, 9/01/22                               | 900          | 935,853      |
| Reynolds Group Issuer, Inc.:                                |              |              |
| 7.75%, 10/15/16   | EUR 550      | 714,273      |
| 7.88%, 8/15/19  | USD 560      | 623,000      |
| 6.88%, 2/15/21  | 1,255        | 1,358,538    |
| Spirit Issuer Plc, 5.86%, 12/28/21                          | GBP 1,620    | 2,115,732    |
| WMG Acquisition Corp.:                                      |              |              |
| 9.50%, 6/15/16  | USD 160      | 174,800      |
| 11.50%, 10/01/18  | 562          | 616,795      |
|   |              | 31,913,563   |

|  |       |            |
|--|-------|------------|
| <b>Diversified Telecommunication Services 3.2%</b> |       |            |
| Level 3 Financing, Inc.:                           |       |            |
| 8.13%, 7/01/19                                     | 671   | 702,872    |
| 8.63%, 7/15/20                                     | 580   | 620,600    |
| Telecom Italia Capital SA, 4.95%, 9/30/14          | 4,375 | 4,440,625  |
| Verizon Communications, Inc.:                      |       |            |
| 3.50%, 11/01/21                                    | 500   | 550,038    |
| 6.40%, 2/15/38                                     | 3,396 | 4,558,845  |
| 8.95%, 3/01/39                                     | 1,125 | 1,961,481  |
| Windstream Corp., 7.88%, 11/01/17                  | 200   | 217,500    |
|  |       | 13,051,961 |

|   |       |           |
|---|-------|-----------|
| <b>Electric Utilities 6.5%</b>                    |       |           |
| The Cleveland Electric Illuminating Co.:          |       |           |
| 8.88%, 11/15/18                                   | 121   | 164,273   |
| 5.95%, 12/15/36                                   | 217   | 255,413   |
| CMS Energy Corp., 5.05%, 3/15/22                  | 917   | 993,839   |
| Duke Energy Carolinas LLC:                        |       |           |
| 6.10%, 6/01/37                                    | 325   | 431,110   |
| 6.00%, 1/15/38 (d)                                | 850   | 1,141,290 |
| 4.25%, 12/15/41 (d)                               | 375   | 410,460   |
| E.ON International Finance BV, 6.65%, 4/30/38 (a) | 1,575 | 2,150,555 |
| EDF SA, 5.60%, 1/27/40 (a)(d)                     | 1,400 | 1,565,707 |
| Florida Power Corp. (d):                          |       |           |
| 6.35%, 9/15/37                                    | 1,450 | 2,009,465 |
| 6.40%, 6/15/38                                    | 340   | 477,596   |
| Georgia Power Co., 3.00%, 4/15/16 (d)             | 800   | 859,924   |
| Hydro-Quebec (d):                                 |       |           |
| 8.40%, 1/15/22                                    | 730   | 1,059,806 |
| 8.05%, 7/07/24                                    | 1,900 | 2,832,484 |
| Jersey Central Power & Light Co., 7.35%, 2/01/19  | 245   | 313,858   |
| Nisource Finance Corp.:                           |       |           |

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|  |     |       |            |
|--|-----|-------|------------|
| 6.40%, 3/15/18   |     | 280   | 335,129    |
| 5.25%, 2/15/43   |     | 500   | 552,707    |
| Ohio Power Co., Series D, 6.60%, 3/01/33                     |     | 1,500 | 1,974,781  |
| PacifiCorp., 6.25%, 10/15/37                                 |     | 650   | 910,552    |
| Public Service Co. of Colorado, 6.25%, 9/01/37 (d)           |     | 1,350 | 1,948,531  |
| Southern California Edison Co.:                              |     |       |            |
| 5.63%, 2/01/36   |     | 675   | 887,753    |
| Series 08-A, 5.95%, 2/01/38 (d)                              |     | 1,100 | 1,512,710  |
| The Tokyo Electric Power Co., Inc., 4.50%,<br>3/24/14 (d)    | EUR | 1,000 | 1,251,888  |
| Virginia Electric and Power Co., Series A, 6.00%,<br>5/15/37 | USD | 1,920 | 2,658,929  |
|  |     |       | 26,698,760 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>                                |     |              |            |
| <b>Energy Equipment &amp; Services 2.2%</b>           |     |              |            |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)              | USD | 565          | \$ 553,700 |
| EnSCO Plc:  |     |              |            |
| 3.25%, 3/15/16  |     | 160          | 170,795    |
| 4.70%, 3/15/21  |     | 1,745        | 1,958,024  |
| Frac Tech Services LLC, 8.13%, 11/15/18 (a)           |     | 1,110        | 1,146,075  |
| MEG Energy Corp., 6.50%, 3/15/21 (a)                  |     | 560          | 589,400    |
| Noble Holding International Ltd., 5.25%, 3/15/42      |     | 350          | 375,470    |
| Peabody Energy Corp., 6.25%, 11/15/21 (a)             |     | 2,610        | 2,655,675  |
| Transocean, Inc.:                                     |     |              |            |
| 5.05%, 12/15/16                                       |     | 850          | 941,480    |
| 6.50%, 11/15/20                                       |     | 350          | 418,359    |
|   |     |              | 8,808,978  |
| <b>Food Products 1.2%</b>                             |     |              |            |
| Darling International, Inc., 8.50%, 12/15/18          |     | 335          | 379,388    |
| Kraft Foods Group, Inc. (a):                          |     |              |            |
| 5.38%, 2/10/20  |     | 1,570        | 1,876,338  |
| 5.00%, 6/04/42  |     | 997          | 1,134,085  |
| Kraft Foods, Inc., 5.38%, 2/10/20                     |     | 1,430        | 1,718,691  |
|   |     |              | 5,108,502  |
| <b>Gas Utilities 0.2%</b>                             |     |              |            |
| CenterPoint Energy Resources Corp., 5.85%,<br>1/15/41 |     | 700          | 881,220    |
| <b>Health Care Equipment &amp; Supplies 0.5%</b>      |     |              |            |
| Boston Scientific Corp., 6.25%, 11/15/15              |     | 1,260        | 1,427,114  |
| DJO Finance LLC:                                      |     |              |            |
| 10.88%, 11/15/14                                      |     | 190          | 198,312    |
| 7.75%, 4/15/18  |     | 40           | 36,600     |
| Teleflex, Inc., 6.88%, 6/01/19                        |     | 385          | 411,950    |
|   |     |              | 2,073,976  |
| <b>Health Care Providers &amp; Services 2.7%</b>      |     |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19         |     | 535          | 556,400    |
| CHS/Community Health Systems, Inc., 5.13%,<br>8/15/18 |     | 400          | 412,500    |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)         | EUR | 494          | 664,848    |
| HCA, Inc.:  |     |              |            |
| 8.50%, 4/15/19  | USD | 17           | 19,168     |
| 6.50%, 2/15/20  |     | 2,015        | 2,213,981  |
| 7.88%, 2/15/20  |     | 135          | 150,694    |
| 7.25%, 9/15/20  |     | 50           | 55,406     |
| IASIS Healthcare LLC, 8.38%, 5/15/19                  |     | 1,000        | 953,750    |
| INC Research LLC, 11.50%, 7/15/19 (a)                 |     | 545          | 534,100    |
| inVentiv Health, Inc. (a):                            |     |              |            |
| 10.00%, 8/15/18                                       |     | 40           | 33,700     |
| 10.25%, 8/15/18                                       |     | 155          | 130,588    |
| Omnicare, Inc., 7.75%, 6/01/20                        |     | 805          | 887,512    |
| Symbion, Inc., 8.00%, 6/15/16                         |     | 455          | 459,834    |
| Tenet Healthcare Corp.:                               |     |              |            |
| 10.00%, 5/01/18                                       |     | 370          | 425,500    |
| 8.88%, 7/01/19  |     | 1,150        | 1,308,125  |
| UnitedHealth Group, Inc., 2.88%, 3/15/22              |     | 2,000        | 2,049,750  |

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|  |             |              |       | 10,855,856   |
|--|-------------|--------------|-------|--------------|
| <b>Health Care Technology</b>                                | <b>0.6%</b> |              |       |              |
| Amgen, Inc. (d):   |             |              |       |              |
| 6.40%, 2/01/39   |             | 750          |       | 931,504      |
| 5.15%, 11/15/41  |             | 1,500        |       | 1,637,571    |
|  |             |              |       | 2,569,075    |
| <b>Hotels, Restaurants &amp; Leisure</b>                     | <b>0.1%</b> |              |       |              |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (a)                    |             | 180          |       | 175,500      |
| MGM Resorts International, 11.13%, 11/15/17                  |             | 265          |       | 294,813      |
|  |             |              |       | 470,313      |
|  |             |              |       |              |
|  |             | <b>Par</b>   |       | <b>Value</b> |
|  |             | <b>(000)</b> |       |              |
| <b>Corporate Bonds</b>                                       |             |              |       |              |
| <b>Household Durables</b>                                    | <b>0.3%</b> |              |       |              |
| Standard Pacific Corp., 10.75%, 9/15/16                      |             | USD          | 1,000 | \$ 1,207,500 |
| <b>Household Products</b>                                    | <b>0.1%</b> |              |       |              |
| Ontex IV SA, 7.50%, 4/15/18 (a)                              |             | EUR          | 190   | 242,567      |
| <b>Independent Power Producers &amp; Energy Traders</b>      | <b>0.5%</b> |              |       |              |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 |             | USD          | 1,955 | 2,194,487    |
| <b>Industrial Conglomerates</b>                              | <b>0.6%</b> |              |       |              |
| The ADT Corp., 4.88%, 7/15/42 (a)                            |             |              | 539   | 586,299      |
| Sequa Corp. (a):   |             |              |       |              |
| 11.75%, 12/01/15   |             |              | 760   | 798,000      |
| 13.50%, 12/01/15   |             |              | 927   | 983,130      |
|  |             |              |       | 2,367,429    |
| <b>Insurance</b>   | <b>4.4%</b> |              |       |              |
| Allianz Finance II BV, 5.75%, 7/08/41                        |             | EUR          | 500   | 607,993      |
| American International Group, Inc.:                          |             |              |       |              |
| 3.80%, 3/22/17 (d)   |             | USD          | 5,580 | 5,905,504    |
| 5.45%, 5/18/17   |             |              | 800   | 898,869      |
| AXA SA, 5.25%, 4/16/40                                       |             | EUR          | 250   | 267,714      |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a)                |             | USD          | 408   | 446,250      |
| Hartford Financial Services Group, Inc.:                     |             |              |       |              |
| 6.00%, 1/15/19   |             |              | 345   | 383,954      |
| 5.13%, 4/15/22   |             |              | 930   | 999,523      |
| Liberty Mutual Group, Inc., 6.50%, 5/01/42 (a)               |             |              | 1,000 | 1,085,395    |
| Lincoln National Corp., 6.25%, 2/15/20                       |             |              | 630   | 730,900      |
| Manulife Financial Corp., 3.40%, 9/17/15                     |             |              | 1,625 | 1,692,883    |
| Metropolitan Life Global Funding I, 5.13%, 6/10/14 (a)(d)    |             |              | 775   | 833,093      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)            |             |              | 340   | 304,300      |
| Muenchener Rueckversicherungs AG, 6.00%, 5/26/41             |             | EUR          | 200   | 264,289      |
| Prudential Financial, Inc. (d):                              |             |              |       |              |
| 4.75%, 9/17/15   |             | USD          | 1,220 | 1,339,589    |
| 7.38%, 6/15/19   |             |              | 300   | 377,559      |
| 5.38%, 6/21/20   |             |              | 250   | 288,865      |
| 4.50%, 11/15/20  |             |              | 400   | 436,532      |
| 5.70%, 12/14/36  |             |              | 950   | 1,053,230    |
|  |             |              |       | 17,916,442   |
| <b>IT Services</b>   | <b>0.8%</b> |              |       |              |
| First Data Corp. (a):  |             |              |       |              |
| 7.38%, 6/15/19   |             |              | 205   | 211,662      |
| 8.88%, 8/15/20   |             |              | 1,000 | 1,090,000    |
| 8.25%, 1/15/21   |             |              | 75    | 74,344       |
| SunGard Data Systems, Inc.:                                  |             |              |       |              |
| 7.38%, 11/15/18  |             |              | 490   | 520,625      |
| 7.63%, 11/15/20  |             |              | 1,100 | 1,179,750    |
|  |             |              |       | 3,076,381    |
| <b>Machinery</b>   | <b>0.3%</b> |              |       |              |

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|   |       |           |
|---|-------|-----------|
| UR Financing Escrow Corp. (a):                        |       |           |
| 5.75%, 7/15/18  | 194   | 205,155   |
| 7.38%, 5/15/20  | 495   | 524,700   |
| 7.63%, 4/15/22  | 455   | 491,400   |
|   |       | 1,221,255 |
| <b>Marine 0.3%</b>                                    |       |           |
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)          | 1,100 | 1,300,750 |
| <b>Media 8.1%</b>                                     |       |           |
| Affinion Group, Inc., 7.88%, 12/15/18                 | 1,505 | 1,076,075 |
| AMC Networks, Inc., 7.75%, 7/15/21                    | 320   | 362,400   |
| CCH II LLC, 13.50%, 11/30/16                          | 2,265 | 2,479,738 |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21 | 553   | 474,197   |
| Clear Channel Worldwide Holdings, Inc.:               |       |           |
| Series A, 9.25%, 12/15/17                             | 278   | 300,935   |
| Series B, 9.25%, 12/15/17                             | 2,492 | 2,706,935 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>  |              |              |
| <b>Media (concluded)</b>  |              |              |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22 | USD 2,000    | \$ 2,986,628 |
| Cox Communications, Inc. (a):                                   |              |              |
| 6.95%, 6/01/38  | 1,000        | 1,303,728    |
| 8.38%, 3/01/39  | 1,735        | 2,618,124    |
| DIRECTV Holdings LLC:   |              |              |
| 6.38%, 3/01/41  | 260          | 306,570      |
| 5.15%, 3/15/42  | 2,100        | 2,142,745    |
| Intelsat Luxembourg SA:   |              |              |
| 11.25%, 6/15/16   | 238          | 250,495      |
| 11.25%, 2/04/17   | 750          | 787,500      |
| 11.50%, 2/04/17 (e)   | 420          | 441,000      |
| NBC Universal Media LLC:  |              |              |
| 5.15%, 4/30/20  | 1,974        | 2,329,798    |
| 4.38%, 4/01/21  | 1,015        | 1,145,763    |
| The New York Times Co., 6.63%, 12/15/16                         | 1,800        | 1,953,000    |
| Omnicom Group, Inc., 3.63%, 5/01/22                             | 2,355        | 2,469,022    |
| Time Warner Cable, Inc.:  |              |              |
| 7.30%, 7/01/38  | 970          | 1,323,610    |
| 5.88%, 11/15/40   | 460          | 545,786      |
| 5.50%, 9/01/41  | 920          | 1,041,084    |
| Time Warner, Inc.:  |              |              |
| 4.70%, 1/15/21  | 1,000        | 1,146,948    |
| 6.10%, 7/15/40  | 615          | 750,459      |
| Unitymedia Hessen GmbH & Co. KG, 8.13%,<br>12/01/17 (a)         | 454          | 491,455      |
| Virgin Media Secured Finance Plc:                               |              |              |
| 6.50%, 1/15/18  | 330          | 359,700      |
| 7.00%, 1/15/18  | GBP 792      | 1,364,472    |
|   |              | 33,158,167   |
| <b>Metals &amp; Mining 3.6%</b>                                 |              |              |
| Alcoa, Inc., 5.40%, 4/15/21                                     | USD 1,450    | 1,497,052    |
| Barrick Gold Corp., 2.90%, 5/30/16                              | 1,685        | 1,773,328    |
| Corp. Nacional del Cobre de Chile, 3.00%,<br>7/17/22 (a)(d)     | 1,566        | 1,573,694    |
| Falconbridge Ltd., 6.20%, 6/15/35                               | 1,550        | 1,665,154    |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%,<br>3/01/22         | 540          | 536,471      |
| New Gold, Inc., 7.00%, 4/15/20 (a)                              | 105          | 110,513      |
| Newcrest Finance Property Ltd., 4.45%, 11/15/21 (a)             | 475          | 492,688      |
| Novelis, Inc., 8.75%, 12/15/20                                  | 4,105        | 4,587,337    |
| Teck Resources Ltd., 5.38%, 10/01/15                            | 2,350        | 2,583,252    |
|   |              | 14,819,489   |
| <b>Oil, Gas &amp; Consumable Fuels 10.1%</b>                    |              |              |
| Access Midstream Partners LP, 6.13%, 7/15/22                    | 400          | 415,000      |
| Anadarko Petroleum Corp., 5.95%, 9/15/16                        | 1,916        | 2,215,632    |
| BP Capital Markets Plc, 3.13%, 10/01/15                         | 330          | 352,977      |
| Burlington Resources Finance Co., 7.40%,<br>12/01/31 (d)        | 950          | 1,377,700    |
| Cenovus Energy, Inc., 6.75%, 11/15/39                           | 750          | 1,006,300    |

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|  |     |         |
|--|-----|---------|
| ConocoPhillips Canada Funding Co., 5.95%,<br>10/15/36          | 150 | 197,851 |
| CONSOL Energy, Inc.:   |     |         |
| 8.00%, 4/01/17   | 514 | 553,835 |
| 8.25%, 4/01/20   | 191 | 205,803 |
| Denbury Resources, Inc., 8.25%, 2/15/20                        | 65  | 73,775  |
| Devon Energy Corp., 7.95%, 4/15/32                             | 650 | 968,092 |
| El Paso Natural Gas Co., 8.38%, 6/15/32                        | 275 | 385,590 |
| El Paso Pipeline Partners Operating Co. LLC, 6.50%,<br>4/01/20 | 240 | 282,929 |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                   | 540 | 602,100 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Corporate Bonds</b>                                   |              |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>       |              |              |
| Enterprise Products Operating LLC:                       |              |              |
| 4.05%, 2/15/22   | USD 1,250    | \$ 1,364,512 |
| 6.13%, 10/15/39  | 700          | 831,755      |
| 5.95%, 2/01/41   | 500          | 592,379      |
| Series L, 6.30%, 9/15/17                                 | 600          | 726,079      |
| KeySpan Gas East Corp., 5.82%, 4/01/41 (a)               | 505          | 674,554      |
| Kinder Morgan Energy Partners LP:                        |              |              |
| 5.95%, 2/15/18   | 1,300        | 1,546,067    |
| 6.50%, 9/01/39   | 3,000        | 3,598,422    |
| 6.55%, 9/15/40   | 110          | 133,704      |
| 6.38%, 3/01/41   | 160          | 192,750      |
| 5.00%, 8/15/42   | 500          | 514,300      |
| Linn Energy LLC, 6.25%, 11/01/19 (a)                     | 590          | 582,625      |
| Marathon Petroleum Corp., 6.50%, 3/01/41                 | 1,052        | 1,283,424    |
| MidAmerican Energy Co., 5.80%, 10/15/36                  | 800          | 1,056,160    |
| MidAmerican Energy Holdings Co.:                         |              |              |
| 5.95%, 5/15/37   | 950          | 1,228,777    |
| 6.50%, 9/15/37   | 2,115        | 2,885,376    |
| Newfield Exploration Co., 5.63%, 7/01/24                 | 850          | 922,250      |
| Nexen, Inc.:   |              |              |
| 6.40%, 5/15/37   | 400          | 498,720      |
| 7.50%, 7/30/39   | 670          | 938,127      |
| Offshore Group Investments Ltd., 11.50%,<br>8/01/15 (a)  | 360          | 397,800      |
| Petrobras International Finance Co.:                     |              |              |
| 3.88%, 1/27/16   | 1,335        | 1,401,596    |
| 5.75%, 1/20/20   | 1,760        | 1,983,358    |
| Pioneer Natural Resources Co., 3.95%, 7/15/22            | 350          | 364,140      |
| Premier Oil Plc, 5.00%, 6/09/18                          | 1,900        | 1,957,000    |
| Range Resources Corp., 5.75%, 6/01/21                    | 941          | 1,000,989    |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16 | 540          | 577,800      |
| Tennessee Gas Pipeline Co. LLC, 7.50%, 4/01/17           | 1,030        | 1,264,248    |
| Western Gas Partners LP, 5.38%, 6/01/21                  | 715          | 794,100      |
| The Williams Cos., Inc., Series A, 7.50%, 1/15/31        | 2,500        | 3,134,485    |
|  |              | 41,083,081   |
| <b>Paper &amp; Forest Products 1.2%</b>                  |              |              |
| Clearwater Paper Corp., 7.13%, 11/01/18                  | 1,000        | 1,092,500    |
| Domtar Corp., 6.25%, 9/01/42                             | 2,000        | 2,067,086    |
| International Paper Co.:                                 |              |              |
| 7.50%, 8/15/21   | 75           | 97,579       |
| 4.75%, 2/15/22   | 420          | 472,491      |
| 6.00%, 11/15/41  | 435          | 518,358      |
| NewPage Corp., 11.38%, 12/31/14 (c)(f)                   | 1,240        | 840,100      |
|  |              | 5,088,114    |
| <b>Pharmaceuticals 0.2%</b>                              |              |              |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)             | EUR 200      | 281,118      |



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|  |     |       |                        |
|--|-----|-------|------------------------|
| Pharmaceutical Product Development, Inc., 9.50%,<br>12/01/19 (a) | USD | 520   | 579,800<br>860,918     |
| <b>Professional Services 0.0%</b>                                |     |       |                        |
| FTI Consulting, Inc., 7.75%, 10/01/16                            |     | 125   | 128,594                |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>                |     |       |                        |
| Simon Property Group LP, 4.75%, 3/15/42                          |     | 835   | 919,518                |
| Ventas Realty LP/Ventas Capital Corp., 4.75%,<br>6/01/21         |     | 275   | 301,910                |
| Vornado Realty LP, 5.00%, 1/15/22                                |     | 1,190 | 1,300,345<br>2,521,773 |
| <b>Real Estate Management &amp; Development 0.6%</b>             |     |       |                        |
| Punch Taverns Finance Plc, Series A2R, 6.82%,<br>7/15/20         | GBP | 739   | 1,091,578              |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value              |
|---|--------------|--------------------|
| <b>Corporate Bonds</b>                                      |              |                    |
| <b>Real Estate Management &amp; Development (concluded)</b> |              |                    |
| Realogy Corp. (a)(d):                                       |              |                    |
| 7.88%, 2/15/19  | USD 369      | \$ 380,070         |
| 7.63%, 1/15/20  | 520          | 566,800            |
| WEA Finance LLC, 4.63%, 5/10/21 (a)                         | 305          | 331,379            |
|   |              | 2,369,827          |
| <b>Road &amp; Rail 0.7%</b>                                 |              |                    |
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40            | 940          | 1,164,991          |
| The Hertz Corp., 7.38%, 1/15/21                             | 1,375        | 1,495,312          |
|   |              | 2,660,303          |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>    |              |                    |
| Spanision LLC, 7.88%, 11/15/17                              | 390          | 380,250            |
| <b>Software 0.5%</b>  |              |                    |
| Nuance Communications, Inc., 5.38%, 8/15/20 (a)             | 895          | 915,138            |
| Oracle Corp., 5.38%, 7/15/40 (d)                            | 800          | 1,025,611          |
|   |              | 1,940,749          |
| <b>Specialty Retail 0.5%</b>                                |              |                    |
| Home Depot, Inc., 5.88%, 12/16/36                           | 830          | 1,105,109          |
| QVC, Inc. (a):  |              |                    |
| 7.50%, 10/01/19   | 85           | 94,181             |
| 7.38%, 10/15/20   | 35           | 39,000             |
| 5.13%, 7/02/22  | 965          | 1,011,458          |
|   |              | 2,249,748          |
| <b>Thriffs &amp; Mortgage Finance 0.3%</b>                  |              |                    |
| Radian Group, Inc., 5.38%, 6/15/15                          | 1,400        | 1,053,500          |
| <b>Tobacco 0.9%</b>   |              |                    |
| Altria Group, Inc.:   |              |                    |
| 9.95%, 11/10/38   | 800          | 1,366,270          |
| 10.20%, 2/06/39   | 1,389        | 2,420,782          |
|   |              | 3,787,052          |
| <b>Wireless Telecommunication Services 2.3%</b>             |              |                    |
| America Movil SAB de CV, 2.38%, 9/08/16                     | 800          | 830,725            |
| Cricket Communications, Inc., 7.75%, 5/15/16                | 850          | 896,750            |
| Crown Castle Towers LLC, 6.11%, 1/15/20 (a)                 | 1,595        | 1,886,391          |
| Digicel Group Ltd. (a):                                     |              |                    |
| 8.25%, 9/01/17  | 150          | 159,000            |
| 10.50%, 4/15/18   | 540          | 583,200            |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20                    | 750          | 776,250            |
| Rogers Communications, Inc., 7.50%, 8/15/38                 | 1,175        | 1,705,011          |
| SBA Tower Trust, 5.10%, 4/15/17 (a)                         | 360          | 401,456            |
| Sprint Capital Corp.:                                       |              |                    |
| 6.88%, 11/15/28   | 510          | 461,550            |
| 8.75%, 3/15/32  | 350          | 353,500            |
| Sprint Nextel Corp. (a):                                    |              |                    |
| 9.00%, 11/15/18   | 530          | 625,400            |
| 7.00%, 3/01/20  | 770          | 843,150            |
|   |              | 9,522,383          |
| <b>Total Corporate Bonds 76.1%</b>                          |              | <b>310,697,663</b> |

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**Foreign Agency Obligations**

|  |     |       |                  |
|--|-----|-------|------------------|
| Deutsche Bundesrepublik Inflation Linked Bond,<br>1.75%, 4/15/20 | EUR | 3,290 | 4,910,866        |
| Hydro-Quebec, 9.40%, 2/01/21 (d)                                 | USD | 390   | 587,925          |
| Italy Government International Bond, 5.38%,<br>6/15/33           |     | 470   | 424,175          |
| Kreditanstalt fuer Wiederaufbau, 1.38%, 7/15/13 (d)              |     | 655   | 660,829          |
| <b>Total Foreign Agency Obligations 1.6%</b>                     |     |       | <b>6,583,795</b> |

**Non-Agency Mortgage-Backed Securities**

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Collateralized Mortgage Obligations 2.5%</b>  |     |              |            |
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                                 | USD | 1,048        | \$ 870,264 |
| Collateralized Mortgage Obligation Trust, Series 40,<br>Class R, 580.50%, 4/01/18                          |     |              | (h) 42     |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35                    |     | 1,534        | 1,311,605  |
| Series 2006-OA21, Class A1, 0.43%,<br>3/20/47 (b)  |     | 849          | 465,854    |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust:<br>Series 2006-OA5, Class 2A1, 0.44%,<br>4/25/46 (b) |     | 335          | 201,275    |
| Series 2007-10, Class A22, 6.00%, 7/25/37  |     | 612          | 507,650    |
| Credit Suisse Mortgage Capital Certificates, Series<br>2011-2R, Class 2A1, 2.61%, 7/27/36 (a)(b)           |     | 1,265        | 1,227,913  |
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3,<br>Class 5A1, 5.08%, 6/19/35 (b)                          |     | 1,034        | 1,021,978  |
| Homebanc Mortgage Trust, Series 2006-2, Class A1,<br>0.42%, 12/25/36 (b)                                   |     | 611          | 422,412    |
| IndyMac IMJA Mortgage Loan Trust, Series 2007-A1,<br>Class A4, 6.00%, 8/25/37                              |     | 874          | 729,923    |
| Merrill Lynch Mortgage Investors, Inc., Series<br>2006-A3, Class 3A1, 2.94%, 5/25/36 (b)                   |     | 692          | 479,089    |
| Monastery BV, Series 2004-I, Class A2, 1.00%,<br>3/17/37 (b)   | EUR | 1,020        | 986,507    |
| Residential Funding Securities LLC, Series<br>2003-RM2, Class AI5, 8.50%, 5/25/33                          | USD | 1,524        | 1,620,799  |
| WaMu Mortgage Pass-Through Certificates, Series<br>2007-OA4, Class 1A, 0.92%, 5/25/47 (b)                  |     | 366          | 255,114    |
| Wells Fargo Mortgage-Backed Securities Trust,<br>Series 2007-10, Class 1A21, 6.00%, 7/25/37                |     | 52           | 49,245     |
|  |     |              | 10,149,670 |

**Commercial Mortgage-Backed Securities 12.6%**

|   |  |       |           |
|---|--|-------|-----------|
| Banc of America Merrill Lynch Commercial<br>Mortgage, Inc.:   |  |       |           |
| Series 2006-6, Class A2, 5.31%, 10/10/45  |  | 1,419 | 1,448,874 |
| Series 2007-1, Class A4, 5.45%, 1/15/49   |  | 500   | 572,826   |
| Series 2007-2, Class A4, 5.80%, 4/10/49 (b)   |  | 750   | 869,145   |
| Bear Stearns Commercial Mortgage Securities,<br>Series 2005-PWR9, Class A4A, 4.87%, 9/11/42         |  | 800   | 885,825   |
| Citigroup Commercial Mortgage Trust, Series<br>2008-C7, Class A4, 6.26%, 12/10/49 (b)               |  | 1,200 | 1,421,371 |
| Citigroup/Deutsche Bank Commercial Mortgage<br>Trust, Series 2006-CD3, Class AM, 5.65%,<br>10/15/48 |  | 1,100 | 1,154,638 |
| Commercial Mortgage Loan Trust, Series 2008-LS1,<br>Class A4B, 6.20%, 12/10/49 (b)                  |  | 1,515 | 1,769,102 |
| Commercial Mortgage Pass-Through Certificates,<br>Series 2006-C7, Class AM, 5.97%, 6/10/46 (b)      |  | 1,750 | 1,851,881 |

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|   |       |           |
|---|-------|-----------|
| Credit Suisse First Boston Mortgage Securities Corp.,<br>Series 2005-C3, Class AJ, 4.77%, 7/15/37 | 705   | 698,888   |
| Credit Suisse Mortgage Capital Certificates:  |       |           |
| Series 2006-C3, Class AM, 6.00%, 6/15/38 (b)  | 1,000 | 1,080,596 |
| Series 2006-C5, Class AM, 5.34%, 12/15/39   | 1,750 | 1,780,425 |
| Series 2010-RR2, Class 2A, 5.95%,<br>9/15/39 (a)(b)   | 1,010 | 1,144,527 |
| DBRR Trust, Series 2011-C32, Class A3A, 5.93%,<br>6/17/49 (a)(b)                                  | 365   | 419,450   |
| Extended Stay America Trust, Series 2010-ESHA (a):  |       |           |
| Class A, 2.95%, 11/05/27  | 484   | 487,693   |
| Class D, 5.50%, 11/05/27  | 210   | 213,237   |
| First Union-Lehman Brothers-Bank of America,<br>Series 1998-C2, Class D, 6.78%, 11/18/35          | 1,658 | 1,665,708 |
| GMAC Commercial Mortgage Securities, Inc.:  |       |           |
| Series 2002-C3, Class A2, 4.93%, 7/10/39  | 726   | 728,412   |
| Series 2004-C3, Class A4, 4.55%, 12/10/41   | 510   | 511,148   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |              |
| <b>Commercial Mortgage-Backed Securities</b>   |              |              |
| <b>(concluded)</b>   |              |              |
| Greenwich Capital Commercial Funding Corp.,<br>Class A4:                             |              |              |
| Series 2006-GG7, 6.06%, 7/10/38 (b)  | USD 1,169    | \$ 1,349,481 |
| Series 2007-GG9, 5.44%, 3/10/39  | 2,165        | 2,450,592    |
| GS Mortgage Securities Corp. II, Series 2007-GG10,<br>Class A4, 5.98%, 8/10/45 (b)   | 430          | 486,453      |
| JPMorgan Chase Commercial Mortgage<br>Securities Corp.:                              |              |              |
| Series 2004-LN2, Class A2, 5.12%, 7/15/41  | 820          | 870,986      |
| Series 2006-CB14, Class AM, 5.64%,<br>12/12/44 (b)                                   | 330          | 340,388      |
| Series 2006-CB16, Class AJ, 5.62%, 5/12/45   | 720          | 614,341      |
| LB-UBS Commercial Mortgage Trust (b):  |              |              |
| Series 2004-C4, Class A3, 5.30%, 6/15/29   | 1,493        | 1,502,568    |
| Series 2004-C8, Class C, 4.93%, 12/15/39   | 1,385        | 1,461,171    |
| Series 2007-C6, Class A4, 5.86%, 7/15/40   | 5,225        | 6,105,115    |
| Series 2007-C7, Class A3, 5.87%, 9/15/45   | 1,460        | 1,722,822    |
| Merrill Lynch Mortgage Trust (b):  |              |              |
| Series 2004-BPC1, Class A3, 4.47%, 10/12/41  | 16           | 15,571       |
| Series 2004-KEY2, Class A4, 4.86%, 8/12/39   | 1,000        | 1,079,590    |
| Morgan Stanley Capital I:  |              |              |
| Series 2007-HQ11, Class A4, 5.45%, 2/12/44 (b)                                       | 4,000        | 4,593,504    |
| Series 2007-XLC1, Class A2, 0.56%, 7/17/17   | 557          | 523,351      |
| Morgan Stanley Reremic Trust, Series 2011-IO, Class A,<br>2.50%, 3/23/51 (a)         | 831          | 837,156      |
| Wachovia Bank Commercial Mortgage Trust:   |              |              |
| Series 2006-C28, Class A2, 5.50%, 10/15/48   | 4,391        | 4,402,438    |
| Series 2007-C33, Class A4, 6.10%, 2/15/51 (b)  | 2,285        | 2,659,361    |
| WF-RBS Commercial Mortgage Trust, Series 2012-C8:<br>Class B, 4.31%, 8/15/45         | 700          | 706,985      |
| Class C, 5.04%, 8/15/45 (b)  | 900          | 877,801      |
|  |              | 51,303,420   |
| <b>Interest Only Collateralized Mortgage</b>   |              |              |
| <b>Obligations 0.0%</b>  |              |              |
| GSMPS Mortgage Loan Trust, Series 1998-5, Class IO,<br>0.10%, 6/19/27 (a)(b)         | 2,040        | 43,564       |
| <b>Interest Only Commercial Mortgage-Backed</b>                                      |              |              |
| <b>Securities 1.0%</b>   |              |              |
| Morgan Stanley Bank of America Merrill Lynch Trust,<br>2.10%, 8/15/45 (a)(b)         | 15,980       | 1,812,247    |
| Morgan Stanley Capital I, Series 2012-C4, Class XA,<br>2.89%, 3/15/45 (a)(b)         | 9,617        | 1,418,400    |
| WF-RBS Commercial Mortgage Trust, Series 2012-C8,<br>Class XA, 2.42%, 8/15/45 (a)(b) | 6,115        | 835,187      |
|  |              | 4,065,834    |
| <b>Total Non-Agency Mortgage-Backed</b>  |              |              |
| <b>Securities 16.1%</b>  |              | 65,562,488   |

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**Preferred Securities**

**Capital Trusts**

**Capital Markets 0.0%**

|   |    |        |
|---|----|--------|
| State Street Capital Trust IV, 1.47%, 6/01/67 (b) | 70 | 50,003 |
|---|----|--------|

**Commercial Banks 0.1%**

|  |     |         |
|--|-----|---------|
| Fifth Third Capital Trust IV, 6.50%, 4/15/67 (b) | 505 | 505,000 |
|--|-----|---------|

**Consumer Finance 0.2%**

|  |     |         |
|--|-----|---------|
| Capital One Capital V, 10.25%, 8/15/39 | 200 | 206,000 |
|--|-----|---------|

|  |     |         |
|--|-----|---------|
| Capital One Capital VI, 8.88%, 5/15/40 | 690 | 706,048 |
|--|-----|---------|

912,048

**Capital Trusts**

**Insurance 1.7%**

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| The Allstate Corp., 6.50%, 5/15/67 (b) | USD 2,150            | \$ 2,254,812 |

|   |     |         |
|---|-----|---------|
| American International Group, Inc., 8.18%,<br>5/15/68 (b) | 195 | 232,781 |
|---|-----|---------|

|  |     |         |
|--|-----|---------|
| Lincoln National Corp., 6.05%, 4/20/67 (b) | 750 | 723,750 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| MetLife Capital Trust IV, 7.88%, 12/15/67 (a) | 645 | 754,650 |
|---|-----|---------|

|                                |       |           |
|--------------------------------|-------|-----------|
| MetLife, Inc., 6.40%, 12/15/66 | 1,000 | 1,063,398 |
|--------------------------------|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Swiss Re Capital I LP, 6.85% (a)(b)(g) | 1,060 | 1,049,400 |
|--|-------|-----------|

|                                      |     |         |
|--------------------------------------|-----|---------|
| XL Group Plc, Series E, 6.50% (b)(g) | 810 | 738,113 |
|--------------------------------------|-----|---------|

6,816,904

|                                  |  |           |
|----------------------------------|--|-----------|
| <b>Total Capital Trusts 2.0%</b> |  | 8,283,955 |
|----------------------------------|--|-----------|

**Preferred Stocks**

**Commercial Banks 1.0%**

|                                 | <b>Shares</b> |           |
|---------------------------------|---------------|-----------|
| US Bancorp, Series G, 6.00% (b) | 150,000       | 4,156,500 |

**Thriffs & Mortgage Finance 0.1%**

|                                 |        |        |
|---------------------------------|--------|--------|
| Fannie Mae, Series O, 7.00% (c) | 40,000 | 48,000 |
|---------------------------------|--------|--------|

|                                 |        |       |
|---------------------------------|--------|-------|
| Fannie Mae, Series S, 8.25% (c) | 10,000 | 9,000 |
|---------------------------------|--------|-------|

|                                  |        |        |
|----------------------------------|--------|--------|
| Freddie Mac, Series Z, 8.38% (c) | 94,539 | 87,921 |
|----------------------------------|--------|--------|

144,921

|                                    |  |           |
|------------------------------------|--|-----------|
| <b>Total Preferred Stocks 1.1%</b> |  | 4,301,421 |
|------------------------------------|--|-----------|

**Trust Preferreds 0.1%**

**Commercial Banks 0.1%**

|   |        |         |
|---|--------|---------|
| Citigroup Capital XIII, 7.88%, 10/30/40 (b) | 14,810 | 405,787 |
|---|--------|---------|

|  |  |            |
|--|--|------------|
| <b>Total Preferred Securities 3.2%</b> |  | 12,991,163 |
|--|--|------------|

**Taxable Municipal Bonds**

|  | <b>Par<br/>(000)</b> |           |
|--|----------------------|-----------|
| City of Detroit Michigan Capital Improvement, GO,<br>Taxable Capital Improvement, Limited Tax,<br>Series A-2, 8.00%, 4/01/14 | USD 1,525            | 1,454,957 |

|   |       |           |
|---|-------|-----------|
| District of Columbia, Refunding RB, The Howard<br>University Issue, Series B, 7.63%, 10/01/35 | 1,000 | 1,246,860 |
|---|-------|-----------|

|   |     |           |
|---|-----|-----------|
| East Bay Municipal Utility District, RB, Build America<br>Bonds, 5.87%, 6/01/40 | 950 | 1,304,264 |
|---|-----|-----------|

|   |       |           |
|---|-------|-----------|
| Indianapolis Local Public Improvement Bond Bank,<br>RB, Build America Bonds, 6.12%, 1/15/40 | 1,260 | 1,694,713 |
|---|-------|-----------|

|  |     |           |
|--|-----|-----------|
| Metropolitan Transportation Authority, RB, Build<br>America Bonds, 7.34%, 11/15/39 | 670 | 1,010,192 |
|--|-----|-----------|

|   |       |           |
|---|-------|-----------|
| Municipal Electric Authority of Georgia Plant Vogtle<br>Units 3 & 4, Refunding RB, Build America Bonds,<br>7.06%, 4/01/57 | 1,000 | 1,085,470 |
|---|-------|-----------|

|  |     |         |
|--|-----|---------|
| New York City Municipal Water Finance Authority,<br>Refunding RB, Build America Bonds:<br>5.72%, 6/15/42 | 690 | 936,144 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| Second General Resolution, Series EE, 5.38%,<br>6/15/43 | 385 | 451,028 |
|---|-----|---------|

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|   |     |           |
|---|-----|-----------|
| Second General Resolution, Series EE, 5.50%,<br>6/15/43                                     | 465 | 551,983   |
| New York State Dormitory Authority, RB, Build<br>America Bonds:                             |     |           |
| 5.63%, 3/15/39  | 550 | 696,790   |
| 5.60%, 3/15/40  | 950 | 1,224,958 |
| Port Authority of New York & New Jersey, RB,<br>Consolidated, 159th Series, 6.04%, 12/01/29 | 395 | 510,873   |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Taxable Municipal Bonds</b>  |              |              |
| State of California, GO, Build America Bonds:<br>7.63%, 3/01/40                         | USD 860      | \$ 1,168,043 |
| Various Purpose, 7.55%, 4/01/39   | 140          | 188,601      |
| State of Illinois, GO, Pension Funding, 5.10%,<br>6/01/33                               | 1,000        | 968,960      |
| University of California, RB, Build America Bonds,<br>5.95%, 5/15/45                    | 440          | 554,396      |
| <b>Total Taxable Municipal Bonds 3.7%</b>   |              | 15,048,232   |
| <b>US Government Sponsored Agency Securities</b>  |              |              |
| <b>Agency Obligations 4.2%</b>  |              |              |
| Fannie Mae (d):   |              |              |
| 1.94%, 10/09/19 (i)   | 7,305        | 6,367,243    |
| 5.63%, 7/15/37  | 825          | 1,202,794    |
| Federal Home Loan Bank (d):   |              |              |
| 5.25%, 12/09/22   | 700          | 909,790      |
| 5.37%, 9/09/24  | 1,100        | 1,447,647    |
| Federal Housing Administration, Merrill Projects,<br>Series 42, 7.43%, 9/01/22          | 36           | 35,727       |
| Resolution Funding Corp., 2.76%, 4/15/30 (i)  | 6,055        | 3,736,825    |
| Tennessee Valley Authority, 5.25%, 9/15/39 (d)  | 2,405        | 3,194,109    |
|   |              | 16,894,135   |
| <b>Collateralized Mortgage Obligations 0.4%</b>   |              |              |
| Fannie Mae Mortgage-Backed Securities:  |              |              |
| Series 1991-46, Class S, 2,461.75%,<br>5/25/21 (b)                                      | (h)          | 2,886        |
| Series 1991-87, Class S, 26.02%, 8/25/21 (b)  | 19           | 33,325       |
| Series 2005-5, Class PK, 5.00%, 12/25/34  | 618          | 665,899      |
| Series G-7, Class S, 1,116.37%, 3/25/21 (b)   | (h)          | 1,887        |
| Series G-17, Class S, 1,055.17%, 6/25/21 (b)  | (h)          | 2,193        |
| Series G-33, Class PV, 1,078.42%, 10/25/21  | (h)          | 2,071        |
| Series G-49, Class S, 1,008.80%, 12/25/21 (b)   | (h)          | 911          |
| Freddie Mac Mortgage-Backed Securities:   |              |              |
| Series 19, Class R, 16,196.49%, 3/15/20 (b)   | (h)          | 473          |
| Series 75, Class R, 9.50%, 1/15/21  | (h)          | 1            |
| Series 75, Class RS, 28.65%, 1/15/21 (b)  | (h)          | 1            |
| Series 173, Class R, 9.00%, 11/15/21  | (h)          | 5            |
| Series 173, Class RS, 9.27%, 11/15/21 (b)   | (h)          | 5            |
| Series 1057, Class J, 1.01%, 3/15/21  | (h)          | 789          |
| Series K013, Class A2, 3.97%, 1/25/21 (b)   | 930          | 1,068,623    |
|   |              | 1,779,069    |
| <b>Commercial Mortgage-Backed Securities 0.0%</b>                                       |              |              |
| Freddie Mac Mortgage-Backed Securities, Series<br>K706, Class C, 4.16%, 11/25/44 (a)(b) | 170          | 157,480      |
| <b>Federal Deposit Insurance Corporation</b>  |              |              |
| <b>Guaranteed 0.1%</b>  |              |              |
| General Electric Capital Corp., 2.13%, 12/21/12 (d)                                     | 525          | 528,020      |
| <b>Interest Only Collateralized Mortgage</b>  |              |              |
| <b>Obligations 3.1%</b>   |              |              |
| Fannie Mae Mortgage-Backed Securities:  |              |              |
| Series 7, Class 2, 8.50%, 4/01/17   | 2            | 245          |



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|   |       |         |
|---|-------|---------|
| Series 89, Class 2, 8.00%, 10/01/18               | 3     | 365     |
| Series 94, Class 2, 9.50%, 8/01/21                | 1     | 228     |
| Series 1990-123, Class M, 1,009.50%,<br>10/25/20  | (h)   | 211     |
| Series 1990-136, Class S, 19.83%,<br>11/25/20 (b) | 5     | 7,419   |
| Series 1991-99, Class L, 930.00%, 8/25/21         | (h)   | 917     |
| Series 1991-139, Class PT, 648.35%, 10/25/21      | (h)   | 1,560   |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (b)      | 143   | 5,162   |
| Series 2003-80, Class DI, 5.50%, 10/25/31         | 4,942 | 297,781 |
| Series 2010-126, Class UI, 5.50%, 10/25/40        | 5,884 | 939,459 |

|  | Par<br>(000) | Value |
|--|--------------|-------|
| <b>US Government Sponsored Agency Securities</b>                         |              |       |
| <b>Interest Only Collateralized Mortgage Obligations<br/>(concluded)</b> |              |       |

|  |           |              |
|--|-----------|--------------|
| Fannie Mae Mortgage-Backed Securities (concluded): |           |              |
| Series 2012-47, Class NI, 4.50%, 4/25/42           | USD 6,111 | \$ 1,235,526 |
| Series 2012-96, Class DI, 4.00%, 2/25/27           | 10,000    | 1,005,358    |
| Series 2012-M9, Class X1, 4.25%, 12/25/17 (b)      | 13,450    | 2,378,780    |
| Series G-10, Class S, 1,080.00%, 5/25/21 (b)       | (h)       | 6,776        |
| Series G-12, Class S, 1,146.44%, 5/25/21 (b)       | (h)       | 4,265        |
| Series G92-5, Class H, 9.00%, 1/25/22              | 25        | 3,366        |
| Series K707, Class X1, 1.70%, 12/25/18 (b)         | 2,522     | 206,186      |
| Freddie Mac Mortgage-Backed Securities:            |           |              |
| Series 176, Class M, 1,010.00%, 7/15/21            | (h)       | 270          |
| Series 200, Class R, 195,955.91%, 12/15/22 (b)     | (h)       | 6            |
| Series 1043, Class H, 43.87%, 2/15/21 (b)          | 3         | 7,525        |
| Series 1054, Class I, 859.64%, 3/15/21 (b)         | (h)       | 681          |
| Series 1056, Class KD, 1,084.50%, 3/15/21          | (h)       | 580          |
| Series 1148, Class E, 1,167.37%, 10/15/21 (b)      | (h)       | 1,684        |
| Series 1254, Class Z, 8.50%, 4/15/22               | 51        | 11,210       |
| Series 2611, Class QI, 5.50%, 9/15/32              | 1,546     | 176,697      |
| Series K710, Class X1, 1.92%, 5/25/19 (b)          | 8,673     | 842,130      |
| Ginnie Mae Mortgage-Backed Securities (b):         |           |              |
| Series 2009-78, Class SD, 5.96%, 9/20/32           | 7,736     | 1,506,590    |
| Series 2011-52, Class NS, 6.43%, 4/16/41           | 21,186    | 3,759,998    |
|  |           | 12,400,975   |

**Mortgage-Backed Securities 12.9%**

|  |        |            |
|--|--------|------------|
| Fannie Mae Mortgage-Backed Securities:                   |        |            |
| 3.00%, 9/15/42 (j)                                       | 16,300 | 16,908,704 |
| 3.50%, 3/01/42 (d)                                       | 1,443  | 1,530,581  |
| 4.00%, 12/01/41 (d)                                      | 5,094  | 5,468,815  |
| 4.50%, 7/01/41 (d)                                       | 6,883  | 7,483,245  |
| 5.00%, 8/01/34 (d)                                       | 4,998  | 5,498,719  |
| 5.50%, 12/01/13 6/01/38 (d)                              | 3,590  | 3,955,387  |
| 6.00%, 3/01/16 9/15/42 (d)(j)                            | 10,611 | 11,692,692 |
| Ginnie Mae Mortgage-Backed Securities, 8.00%,<br>7/15/24 |        |            |
|  | (h)    | 355        |
|  |        | 52,538,498 |

**Principal Only Collateralized Mortgage  
Obligations 0.0%**

|   |    |        |
|---|----|--------|
| Fannie Mae Mortgage-Backed Securities:  |    |        |
| Series 203, Class 1, 2/01/23            | 8  | 6,851  |
| Series 228, Class 1, 6/01/23            | 6  | 5,030  |
| Series 1993-51, Class E, 2/25/23        | 25 | 22,633 |
| Series 1993-70, Class A, 5/25/23        | 4  | 3,493  |
| Freddie Mac Mortgage-Backed Securities, |    |        |
| Series 1739, Class B, 2/15/24           | 2  | 2,112  |
|   |    | 40,119 |

|  |  |            |
|--|--|------------|
| <b>Total US Government Sponsored Agency<br/>Securities 20.7%</b> |  | 84,338,296 |
|--|--|------------|

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**US Treasury Obligations**

| US Treasury Bonds (d): |        |            |
|------------------------|--------|------------|
| 8.13%, 8/15/21         | 1,550  | 2,442,825  |
| 8.00%, 11/15/21        | 7,065  | 11,133,444 |
| 6.25%, 8/15/23         | 4,355  | 6,371,230  |
| 5.38%, 2/15/31         | 375    | 552,422    |
| 3.50%, 2/15/39         | 2,865  | 3,377,119  |
| 4.25%, 5/15/39         | 2,770  | 3,681,937  |
| 4.38%, 5/15/40         | 8,225  | 11,166,721 |
| 4.75%, 2/15/41         | 1,621  | 2,331,201  |
| 4.38%, 5/15/41         | 805    | 1,094,925  |
| 3.13%, 11/15/41        | 20,940 | 22,948,942 |
| 3.13%, 2/15/42         | 2,368  | 2,592,590  |
| 3.00%, 5/15/42         | 2,730  | 2,915,555  |
| 2.75%, 8/15/42         | 10,900 | 11,046,474 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value              |
|--|--------------|--------------------|
| <b>US Treasury Obligations</b>   |              |                    |
| US Treasury Inflation Indexed Bonds, 0.75%,<br>2/15/42 (d)   | USD 4,260    | \$ 4,647,570       |
| US Treasury Notes:   |              |                    |
| 2.25%, 7/31/18 (d)   | 2,495        | 2,705,516          |
| 2.63%, 8/15/20 (d)   | 1,105        | 1,225,427          |
| 2.00%, 2/15/22 (d)   | 3,932        | 4,112,628          |
| 1.75%, 5/15/22   | 152          | 155,088            |
| <b>Total US Treasury Obligations 23.2%</b>   |              | <b>94,501,614</b>  |
| <b>Warrants 0.0% (k)</b>   |              |                    |
| <b>Software 0.0%</b>   |              |                    |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17)   | 101          |                    |
| <b>Total Long-Term Investments</b><br><b>(Cost \$573,268,297) 150.9%</b>   |              | <b>615,698,482</b> |
| <b>Short-Term Securities</b>   |              |                    |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (l)(m)  | 1,343,014    | 1,343,014          |
| <b>Total Short-Term Securities</b><br><b>(Cost \$1,343,014) 0.3%</b>   |              | <b>1,343,014</b>   |
| <b>Options Purchased</b>   |              |                    |
| <b>Over-the-Counter Interest Rate Call</b>   |              |                    |
| <b>Swaptions 0.0%</b>  |              |                    |
| Receive a fixed rate of 1.10% and pay a floating rate<br>based on 3-month LIBOR, Expires 7/31/13,<br>Broker JPMorgan Chase & Co.   | USD 13,500   | 160,273            |
| <b>Over-the-Counter Interest Rate Put</b>  |              |                    |
| <b>Swaptions 0.1%</b>  |              |                    |
| Pay a fixed rate of 3.50% and receive a floating rate<br>based on a 6-month EURIBOR, Expires 11/08/12,<br>Broker Citigroup, Inc.   | EUR 4,000    | 296                |
| Pay a fixed rate of 2.08% and receive a floating rate<br>based on a 3-month LIBOR, Expires 3/26/13,<br>Broker JPMorgan Chase & Co. | USD 45,300   | 31,932             |
| Pay a fixed rate of 3.25% and receive a floating rate<br>based on a 3-month LIBOR, Expires 6/03/13,<br>Broker JPMorgan Chase & Co. | 1,200        | 24,257             |
| Pay a fixed rate of 3.75% and receive a floating rate<br>based on a 3-month LIBOR, Expires 6/03/13,<br>Broker JPMorgan Chase & Co. | 2,400        | 18,246             |
| Pay a fixed rate of 4.25% and receive a floating rate<br>based on a 3-month LIBOR, Expires 6/03/13,<br>Broker JPMorgan Chase & Co. | 4,800        | 13,214             |
| Pay a fixed rate of 1.50% and receive a floating rate<br>based on a 3-month LIBOR, Expires 7/11/13,<br>Broker JPMorgan Chase & Co. | 15,600       | 78,891             |

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|   |        |         |
|---|--------|---------|
| Pay a fixed rate of 1.50% and receive a floating rate based on a 3-month LIBOR, Expires 7/19/13,<br>Broker Deutsche Bank AG     | 9,700  | 51,259  |
| Pay a fixed rate of 1.10% and receive a floating rate based on a 3-month LIBOR, Expires 7/31/13,<br>Broker JPMorgan Chase & Co. | 13,500 | 144,667 |

|   | Notional<br>Amount<br>(000) | Value      |
|---|-----------------------------|------------|
| <b>Options Purchased</b>  |                             |            |
| <b>Over-the-Counter Interest Rate Put Swaptions (concluded)</b>   |                             |            |
| Pay a fixed rate of 4.50% and receive a floating rate based on a 3-month LIBOR, Expires 3/16/17,<br>Broker Deutsche Bank AG | USD 6,300                   | \$ 164,038 |
|   |                             | 526,800    |

|  | Contracts |             |
|--|-----------|-------------|
| <b>Over-the-Counter Put Options 0.1%</b>   |           |             |
| S&P 500 Index, Strike Price USD 1,375.00,<br>Expires 10/19/12, Broker Deutsche Bank AG | 12,000    | 271,612     |
| <b>Total Options Purchased</b><br>(Cost \$1,882,435) 0.2%                              |           | 958,685     |
| <b>Total Investments Before Options Written</b><br>(Cost \$576,493,746) 151.4%         |           | 618,000,181 |

|   | Notional<br>Amount<br>(000) |           |
|---|-----------------------------|-----------|
| <b>Options Written</b>  |                             |           |
| <b>Over-the-Counter Interest Rate Call Swaptions (1.3)%</b>   |                             |           |
| Pay a fixed rate of 2.00% and receive a floating rate based on 3-month LIBOR, Expires 8/28/13,<br>Broker Royal Bank of Scotland Group Plc | USD 14,000                  | (484,456) |
| Pay a fixed rate of 2.09% and receive a floating rate based on 3-month LIBOR, Expires 1/03/14,<br>Broker Deutsche Bank AG                 | 4,200                       | (194,058) |
| Pay a fixed rate of 2.06% and receive a floating rate based on 3-month LIBOR, Expires 4/09/14,<br>Broker JPMorgan Chase & Co.             | 16,100                      | (679,236) |
| Pay a fixed rate of 1.40% and receive a floating rate based on 3-month LIBOR, Expires 5/08/14,<br>Broker Deutsche Bank AG                 | 9,600                       | (170,723) |
| Pay a fixed rate of 1.15% and receive a floating rate based on 3-month LIBOR, Expires 6/09/14,<br>Broker Deutsche Bank AG                 | 9,300                       | (101,092) |
| Pay a fixed rate of 1.15% and receive a floating rate based on 3-month LIBOR, Expires 6/09/14,<br>Broker BNP Paribas SA                   | 30,300                      | (329,364) |
| Pay a fixed rate of 1.20% and receive a floating rate based on 3-month LIBOR, Expires 6/18/14,<br>Broker Deutsche Bank AG                 | 12,100                      | (145,492) |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/11/14,<br>Broker Bank of America Corp.            | 9,000                       | (68,623)  |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/11/14,<br>Broker JPMorgan Chase & Co.             | 15,600                      | (118,947) |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/21/14,<br>Broker Deutsche Bank AG                 | 9,700                       | (73,920)  |
|   | 10,000                      | (191,236) |

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Pay a fixed rate of 1.48% and receive a floating rate based on 3-month LIBOR, Expires 7/31/14, Broker JPMorgan Chase & Co.

|  |       |          |
|--|-------|----------|
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 8/01/14, Broker Deutsche Bank AG | 9,700 | (73,630) |
|--|-------|----------|

|  |       |           |
|--|-------|-----------|
| Pay a fixed rate of 3.65% and receive a floating rate based on 3-month LIBOR, Expires 3/27/17, Broker JPMorgan Chase & Co. | 1,100 | (119,428) |
|--|-------|-----------|

|  |        |             |
|--|--------|-------------|
| Pay a fixed rate of 3.53% and receive a floating rate based on 3-month LIBOR, Expires 3/30/17, Broker Deutsche Bank AG | 15,000 | (1,522,873) |
|--|--------|-------------|

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Notional<br>Amount<br>(000) | Value        |
|--|-----------------------------|--------------|
| <b>Options Written</b>   |                             |              |
| <b>Over-the-Counter Interest Rate Call Swaptions (concluded)</b>   |                             |              |
| Pay a fixed rate of 3.60% and receive a floating rate based on 3-month LIBOR, Expires 4/03/17, Broker Goldman Sachs Group, Inc.        | USD 8,200                   | \$ (866,884) |
|  |                             | (5,139,962)  |
| <b>Over-the-Counter Interest Rate Put Swaptions (0.8)%</b>   |                             |              |
| Receive a fixed rate of 1.59% and pay a floating rate based on 3-month LIBOR, Expires 11/30/12, Broker JPMorgan Chase & Co.            | 11,200                      | (4,472)      |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 8/28/13, Broker Royal Bank of Scotland Group Plc | 14,000                      | (407,736)    |
| Receive a fixed rate of 2.09% and pay a floating rate based on 3-month LIBOR, Expires 1/03/14, Broker Deutsche Bank AG                 | 4,200                       | (21,801)     |
| Receive a fixed rate of 2.06% and pay a floating rate based on 3-month LIBOR, Expires 4/09/14, Broker JPMorgan Chase & Co.             | 16,100                      | (125,195)    |
| Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, Expires 5/08/14, Broker Deutsche Bank AG                 | 9,600                       | (59,035)     |
| Receive a fixed rate of 2.15% and pay a floating rate based on 3-month LIBOR, Expires 6/09/14, Broker BNP Paribas SA                   | 30,300                      | (263,713)    |
| Receive a fixed rate of 2.15% and pay a floating rate based on 3-month LIBOR, Expires 6/09/14, Broker Deutsche Bank AG                 | 9,300                       | (80,942)     |
| Receive a fixed rate of 2.20% and pay a floating rate based on 3-month LIBOR, Expires 6/18/14, Broker Deutsche Bank AG                 | 12,100                      | (103,605)    |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/11/14, Broker Bank of America Corp.            | 9,000                       | (100,247)    |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/11/14, Broker JPMorgan Chase & Co.             | 15,600                      | (173,762)    |
| Receive a fixed rate of 1.95% and pay a floating rate based on 3-month LIBOR, Expires 7/16/14, Broker Deutsche Bank AG                 | 24,800                      | (292,925)    |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/21/14, Broker Deutsche Bank AG                 | 9,700                       | (110,702)    |
| Receive a fixed rate of 1.48% and pay a floating rate based on 3-month LIBOR, Expires 7/31/14, Broker JPMorgan Chase & Co.             | 10,000                      | (193,489)    |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 8/01/14, Broker JPMorgan Chase & Co.             | 11,200                      | (132,625)    |

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|  |                  |                |
|--|------------------|----------------|
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 8/01/14,<br>Broker Deutsche Bank AG          | 9,700            | (114,863)      |
| Receive a fixed rate of 6.00% and pay a floating rate based on 3-month LIBOR, Expires 3/16/17,<br>Broker Deutsche Bank AG          | 12,600           | (159,697)      |
| Receive a fixed rate of 3.65% and pay a floating rate based on 3-month LIBOR, Expires 3/27/17,<br>Broker JPMorgan Chase & Co.      | 1,100            | (46,198)       |
| Receive a fixed rate of 3.53% and pay a floating rate based on 3-month LIBOR, Expires 3/30/17,<br>Broker Deutsche Bank AG          | 15,000           | (673,874)      |
| Receive a fixed rate of 3.60% and pay a floating rate based on 3-month LIBOR, Expires 4/03/17,<br>Broker Goldman Sachs Group, Inc. | 8,200            | (354,828)      |
|  |                  | (3,419,709)    |
| <b>Options Written</b>   | <b>Contracts</b> | <b>Value</b>   |
| <b>Over-the-Counter Put Options (0.0)%</b>   |                  |                |
| S&P 500 Index, Strike Price USD 1,325.00,<br>Expires 10/19/12, Broker Deutsche Bank AG   | 9,500            | \$ (114,598)   |
| <b>Total Options Written</b>   |                  | (8,674,269)    |
| <b>(Premiums Received \$8,723,514) (2.1)%</b>  |                  | 609,325,912    |
| <b>Total Investments, Net of Options Written 149.3%</b>  |                  | (201,257,538)  |
| <b>Liabilities in Excess of Other Assets (49.3)%</b>   |                  |                |
| <b>Net Assets 100.0%</b>   |                  | \$ 408,068,374 |

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (g) Security is perpetual in nature and has no stated maturity date.
- (h) Amount is less than \$500.
- (i) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (j) Represents or includes a TBA transaction. Unsettled TBA transactions as of August 31, 2012 were as follows:

| Counterparty              | Value         | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------|---------------|--|
| Credit Suisse Group AG    | \$ 4,186,680  | \$ (1,930)                                   |
| Deutsche Bank AG          | \$ 3,966,328  | \$ (422)                                     |
| Goldman Sachs Group, Inc. | \$ 16,908,704 | \$ 2,548                                     |

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

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

| <b>Affiliate</b>  | <b>Shares Held at<br/>August 31,<br/>2011</b> | <b>Net<br/>Activity</b> | <b>Shares Held at<br/>August 31,<br/>2012</b> | <b>Income</b> |
|---|---|-------------------------|---|---------------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class | 3,706,293                                     | (2,363,279)             | 1,343,014                                     | \$ 4,026      |

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

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

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

Reverse repurchase agreements outstanding as of August 31, 2012 were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|------------|---------------------------------------|
| UBS Securities LLC                 | (1.25)%       | 2/02/12    | Open          | \$ 440,700 | \$ 437,456                            |
| Bank of America Merrill Lynch      | 0.17%         | 4/18/12    | Open          | 3,115,688  | 3,117,688                             |
| BNP Paribas Securities Corp.       | 0.14%         | 4/18/12    | Open          | 1,192,019  | 1,192,649                             |
| Deutsche Bank AG                   | 0.13%         | 4/24/12    | Open          | 1,381,875  | 1,382,524                             |
| Bank of America Merrill Lynch      | 0.12%         | 5/07/12    | Open          | 2,439,313  | 2,440,264                             |
| Bank of America Merrill Lynch      | 0.22%         | 5/07/12    | Open          | 895,125    | 895,710                               |
| BNP Paribas Securities Corp.       | 0.17%         | 5/09/12    | Open          | 2,212,665  | 2,213,867                             |
| BNP Paribas Securities Corp.       | 0.18%         | 5/09/12    | Open          | 1,045,494  | 1,046,095                             |
| BNP Paribas Securities Corp.       | 0.19%         | 5/09/12    | Open          | 2,694,600  | 2,696,235                             |
| UBS Securities LLC                 | 0.28%         | 5/10/12    | Open          | 3,516,450  | 3,519,568                             |
| BNP Paribas Securities Corp.       | 0.32%         | 5/14/12    | Open          | 510,100    | 510,599                               |
| Bank of America Merrill Lynch      | 0.25%         | 6/05/12    | Open          | 6,017,494  | 6,021,171                             |
| BNP Paribas Securities Corp.       | 0.23%         | 6/05/12    | Open          | 23,191,050 | 23,204,089                            |
| UBS Securities LLC                 | 0.32%         | 6/06/12    | Open          | 5,158,900  | 5,162,890                             |
| Credit Suisse Securities (USA) LLC | 0.23%         | 6/20/12    | Open          | 646,812    | 647,114                               |
| BNP Paribas Securities Corp.       | 0.20%         | 6/26/12    | Open          | 1,214,812  | 1,215,265                             |
| UBS Securities LLC                 | 0.32%         | 6/29/12    | Open          | 1,806,337  | 1,807,365                             |
| BNP Paribas Securities Corp.       | 0.32%         | 7/02/12    | Open          | 2,979,000  | 2,980,615                             |
| Deutsche Bank AG                   | (2.00)%       | 7/02/12    | Open          | 316,417    | 315,345                               |
| UBS Securities LLC                 | 0.32%         | 7/02/12    | Open          | 1,477,212  | 1,478,014                             |
| BNP Paribas Securities Corp.       | 0.27%         | 7/24/12    | Open          | 573,750    | 573,918                               |
| Credit Suisse Securities (USA) LLC | 0.23%         | 7/25/12    | Open          | 3,228,713  | 3,229,496                             |
| Bank of America Merrill Lynch      | 0.15%         | 7/26/12    | Open          | 11,356,988 | 11,358,738                            |
| Bank of America Merrill Lynch      | 0.17%         | 7/26/12    | Open          | 6,570,606  | 6,571,754                             |
| Bank of America Merrill Lynch      | 0.18%         | 7/26/12    | Open          | 22,898,159 | 22,902,395                            |
| UBS Securities LLC                 | 0.33%         | 7/27/12    | Open          | 2,604,925  | 2,605,785                             |
| UBS Securities LLC                 | 0.34%         | 7/27/12    | Open          | 1,006,000  | 1,006,342                             |
| Barclays Capital, Inc.             | 0.35%         | 7/31/12    | Open          | 1,603,125  | 1,603,624                             |
| Morgan Stanley & Co. International | 0.10%         | 8/02/12    | Open          | 1,164,152  | 1,164,634                             |
| Credit Suisse Securities (USA) LLC | 0.14%         | 8/07/12    | Open          | 4,138,430  | 4,138,832                             |
| UBS Securities LLC                 | 0.34%         | 8/07/12    | Open          | 3,420,000  | 3,420,808                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/08/12    | Open          | 11,183,623 | 11,186,234                            |
| Barclays Capital, Inc.             | 0.35%         | 8/09/12    | Open          | 3,435,469  | 3,436,236                             |

Reverse repurchase agreements outstanding as of August 31, 2012 were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value    | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|---------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.31%         | 8/10/12    | 9/13/12       | \$ 26,398,356 | \$ 26,406,312                         |
| UBS Securities LLC                 | 0.34%         | 8/13/12    | Open          | 553,800       | 553,899                               |
| UBS Securities LLC                 | 0.35%         | 8/13/12    | Open          | 1,855,000     | 1,855,343                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/15/12    | Open          | 812,000       | 812,134                               |

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|                                    |       |         |         |                       |                       |
|------------------------------------|-------|---------|---------|-----------------------|-----------------------|
| Credit Suisse Securities (USA) LLC | 0.35% | 8/16/12 | Open    | 8,004,324             | 8,005,570             |
| Barclays Capital, Inc.             | 0.35% | 8/21/12 | Open    | 1,290,812             | 1,290,951             |
| BNP Paribas Securities Corp.       | 0.11% | 8/21/12 | Open    | 2,791,425             | 2,791,519             |
| BNP Paribas Securities Corp.       | 0.17% | 8/30/12 | 9/04/12 | 10,913,625            | 10,913,934            |
| <b>Total</b>                       |       |         |         | <b>\$ 188,055,345</b> | <b>\$ 188,112,981</b> |

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

| Contracts    | Issue                       | Exchange               | Expiration    |     | Notional Value | Unrealized Appreciation |
|--------------|-----------------------------|------------------------|---------------|-----|----------------|-------------------------|
| 18           | 5-Year US Treasury Note     | Chicago Board of Trade | December 2012 | USD | 2,243,953      | \$ 9,810                |
| 246          | 30-Year US Treasury Bond    | Chicago Board of Trade | December 2012 | USD | 37,245,938     | 416,919                 |
| 57           | Ultra Long US Treasury Bond | Chicago Board of Trade | December 2012 | USD | 9,633,000      | 108,103                 |
| <b>Total</b> |                             |                        |               |     |                | <b>\$ 534,832</b>       |

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

| Contracts | Issue                    | Exchange               | Expiration     |     | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|----------------|-----|----------------|-------------------------|
| 15        | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2012 | USD | 3,735,375      | \$ (1,126)              |
| 440       | 2-Year US Treasury Note  | Chicago Board of Trade | December 2012  | USD | 97,054,375     | (88,686)                |
| 446       | 10-Year US Treasury Note | Chicago Board of Trade | December 2012  | USD | 59,638,563     | (503,783)               |
| 15        | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2012  | USD | 3,736,688      | (2,926)                 |
| 15        | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2013     | USD | 3,736,688      | (3,788)                 |
| 12        | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2013      | USD | 2,989,050      | (2,130)                 |
| 12        | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2013 | USD | 2,988,600      | (5,559)                 |
| 16        | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2013  | USD | 3,983,800      | (11,342)                |
| 12        | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2014     | USD | 2,987,100      | (7,854)                 |
| 9         | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2014      | USD | 2,239,537      | (4,335)                 |
| 9         | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2014 | USD | 2,238,637      | (8,113)                 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)

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

| Contracts    | Issue              | Exchange           | Expiration     |     | Notional Value | Unrealized Depreciation |
|--------------|--------------------|--------------------|----------------|-----|----------------|-------------------------|
| 9            | 90-Day Euro-Dollar | Chicago Mercantile | December 2014  | USD | 2,237,287      | \$ (9,286)              |
| 53           | 90-Day Euro-Dollar | Chicago Mercantile | March 2015     | USD | 13,168,513     | (66,819)                |
| 44           | 90-Day Euro-Dollar | Chicago Mercantile | June 2015      | USD | 10,924,100     | (58,595)                |
| 44           | 90-Day Euro-Dollar | Chicago Mercantile | September 2015 | USD | 10,912,550     | (67,771)                |
| 44           | 90-Day Euro-Dollar | Chicago Mercantile | December 2015  | USD | 10,897,700     | (69,421)                |
| <b>Total</b> |                    |                    |                |     |                | \$ (911,534)            |

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

| Currency Purchased |           | Currency Sold |           | Counterparty           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------|---------------|-----------|------------------------|-----------------|--|
| GBP                | 1,036,977 | USD           | 1,627,000 | UBS AG                 | 10/17/12        | \$ 19,323                              |
| USD                | 918,184   | GBP           | 588,000   | Credit Suisse Group AG | 10/17/12        | (15,335)                               |
| USD                | 3,765,332 | GBP           | 2,425,500 | UBS AG                 | 10/17/12        | (85,433)                               |
| USD                | 938,006   | GBP           | 594,000   | UBS AG                 | 10/17/12        | (5,038)                                |
| EUR                | 168,000   | USD           | 211,043   | Citigroup, Inc.        | 10/22/12        | 376                                    |
| EUR                | 91,952    | USD           | 113,000   | UBS AG                 | 10/22/12        | 2,717                                  |
| USD                | 7,433,238 | EUR           | 6,063,000 | Citigroup, Inc.        | 10/22/12        | (196,736)                              |
| USD                | 56,776    | EUR           | 46,000    | Citigroup, Inc.        | 10/22/12        | (1,112)                                |
| <b>Total</b>       |           |               |           |                        |                 | \$ (281,238)                           |

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

| Issuer                                     | Pay Fixed Rate | Counterparty         | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--|----------------|----------------------|-----------------|-----------------------|--|
| Radian Group, Inc.                         | 5.00%          | Citigroup, Inc.      | 6/20/15         | USD 1,400             | \$ 232,792                             |
| The New York Times Co.                     | 1.00%          | Barclays Plc         | 12/20/16        | USD 1,800             | (5,281)                                |
| DE Master Blenders, Inc.                   | 1.00%          | JPMorgan Chase & Co. | 3/20/17         | USD 208               | (4,055)                                |
| Hillshire Brands Co.                       | 1.00%          | JPMorgan Chase & Co. | 3/20/17         | USD 208               | 7,539                                  |
| XL Group Plc                               | 1.00%          | JPMorgan Chase & Co. | 6/20/17         | USD 1,600             | (26,877)                               |
| Australia & New Zealand Banking Group Ltd. | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 1,020             | (4,785)                                |
| Commonwealth Bank of Australia             | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 2,000             | (9,400)                                |
| National Australia Bank Ltd.               | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 2,000             | (6,587)                                |
| Westpac Banking Corp.                      | 1.00%          | Deutsche Bank AG     | 9/20/17         | USD 1,020             | (6,188)                                |
| <b>Total</b>                               |                |                      |                 |                       | \$ 177,158                             |

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

| Issuer        | Receive Fixed Rate | Counterparty              | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|---------------|--------------------|---------------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| MetLife, Inc. | 1.00%              | Credit Suisse Group AG    | 9/20/16         | A                          | USD 545                            | \$ 19,635               |
| MetLife, Inc. | 1.00%              | Deutsche Bank AG          | 9/20/16         | A                          | USD 730                            | 21,665                  |
| MetLife, Inc. | 1.00%              | Goldman Sachs Group, Inc. | 9/20/16         | A                          | USD 500                            | 13,927                  |
| MetLife, Inc. | 1.00%              | Morgan Stanley            | 9/20/16         | A                          | USD 910                            | 25,810                  |
| MetLife, Inc. | 1.00%              | Morgan Stanley            | 9/20/16         | A                          | USD 275                            | 5,819                   |
| MetLife, Inc. | 1.00%              | Citigroup, Inc.           | 12/20/16        | A                          | USD 298                            | 5,859                   |
| MetLife, Inc. | 1.00%              | Citigroup, Inc.           | 12/20/16        | A                          | USD 290                            | 7,292                   |
| <b>Total</b>  |                    |                           |                 |                            |                                    | \$ 100,007              |

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

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

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

| Index  | Receive Fixed Rate | Counterparty   | Expiration Date | Credit Rating <sup>3</sup> | Notional Amount (000) <sup>4</sup> | Unrealized Appreciation |
|--|--------------------|----------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Markit CMBX North America AAA Index Series 3 | 0.08%              | Morgan Stanley | 12/13/49        | A+                         | USD 530                            | \$ 28,033               |
| Markit CMBX North America AAA Index Series 4 | 0.35%              | Morgan Stanley | 2/17/51         | A                          | USD 530                            | 24,651                  |
| <b>Total</b>                                 |                    |                |                 |                            |                                    | \$ 52,684               |

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

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)

Interest rate swaps outstanding as of August 31, 2012 were as follows:

| Fixed Rate         | Floating Rate   | Counterparty                     | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|-----------------|----------------------------------|-----------------|-----------------------|--|
| 1.26% <sup>1</sup> | 3-month CBA     | JPMorgan Chase & Co.             | 6/25/14         | CAD 29,600            | \$ (54,648)                            |
| 1.27% <sup>1</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/03/14         | CAD 13,600            | (24,083)                               |
| 1.33% <sup>1</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/05/14         | CAD 13,600            | (15,890)                               |
| 1.22% <sup>1</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/09/14         | CAD 13,600            | (30,755)                               |
| 1.24% <sup>1</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/11/14         | CAD 13,600            | (28,174)                               |
| 1.66% <sup>2</sup> | 3-month CBA     | JPMorgan Chase & Co.             | 6/25/16         | CAD 15,000            | 15,753                                 |
| 1.64% <sup>2</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/03/16         | CAD 13,600            | 19,878                                 |
| 1.70% <sup>2</sup> | 3-month CBA     | Deutsche Bank AG                 | 7/05/16         | CAD 13,600            | 4,354                                  |
| 0.87% <sup>2</sup> | 3-month LIBOR   | Royal Bank of Scotland Group Plc | 7/31/17         | USD 7,000             | (38,740)                               |
| 1.74% <sup>1</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 3/30/18         | USD 1,000             | 38,661                                 |
| 1.20% <sup>1</sup> | 3-month LIBOR   | JPMorgan Chase & Co.             | 8/30/18         | USD 7,900             | 35,996                                 |
| 1.51% <sup>1</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 7/13/19         | USD 5,900             | 14,969                                 |
| 3.27% <sup>2</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 5/16/21         | USD 910               | (134,713)                              |
| 2.08% <sup>1</sup> | 3-month LIBOR   | Morgan Stanley                   | 4/26/22         | USD 6,400             | 268,975                                |
| 2.04% <sup>1</sup> | 3-month LIBOR   | Morgan Stanley                   | 5/04/22         | USD 11,500            | 434,771                                |
| 1.94% <sup>1</sup> | 3-month LIBOR   | Citigroup, Inc.                  | 5/16/22         | USD 2,100             | 58,597                                 |
| 1.89% <sup>1</sup> | 6-month EURIBOR | Citigroup, Inc.                  | 6/27/22         | EUR 1,800             | 38,016                                 |
| 1.60% <sup>1</sup> | 3-month LIBOR   | Credit Suisse Group AG           | 8/02/22         | USD 2,100             | (12,156)                               |
| 1.61% <sup>1</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 8/06/22         | USD 1,700             | (8,139)                                |
| 1.74% <sup>2</sup> | 3-month LIBOR   | Credit Suisse Group AG           | 8/07/22         | USD 6,000             | (42,635)                               |
| 1.79% <sup>2</sup> | 3-month LIBOR   | Credit Suisse Group AG           | 8/10/22         | USD 1,000             | (11,721)                               |
| 1.91% <sup>1</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 8/21/22         | USD 3,800             | 88,431                                 |
| 1.93% <sup>2</sup> | 3-month LIBOR   | JPMorgan Chase & Co.             | 8/21/22         | USD 2,000             | (48,609)                               |
| 2.58% <sup>2</sup> | 6-month EURIBOR | Deutsche Bank AG                 | 11/11/41        | EUR 350               | (37,911)                               |
| 2.68% <sup>2</sup> | 6-month EURIBOR | Deutsche Bank AG                 | 11/18/41        | EUR 750               | (102,306)                              |
| 3.07% <sup>2</sup> | 3-month LIBOR   | Barclays Plc                     | 3/21/42         | USD 8,200             | (1,060,280)                            |
| 2.15% <sup>2</sup> | 6-month EURIBOR | Citigroup, Inc.                  | 6/27/42         | EUR 770               | 8,297                                  |
| 2.41% <sup>2</sup> | 3-month LIBOR   | JPMorgan Chase & Co.             | 7/02/42         | USD 3,400             | 51,292                                 |
| 2.48% <sup>2</sup> | 3-month LIBOR   | Deutsche Bank AG                 | 7/05/42         | USD 4,500             | (7,362)                                |
| 2.52% <sup>2</sup> | 3-month LIBOR   | Citigroup, Inc.                  | 9/04/42         | USD 5,100             | (59,408)                               |
| 2.52% <sup>2</sup> | 3-month LIBOR   | Goldman Sachs Group, Inc.        | 9/04/42         | USD 5,100             | (57,332)                               |
| <b>Total</b>       |                 |                                  |                 |                       | \$ (696,872)                           |

<sup>1</sup> Trust pays the floating rate and receives the fixed rate.<sup>2</sup> Trust pays the fixed rate and receives the floating rate.

Total return swaps outstanding as of August 31, 2012 were as follows:

| Reference Entity                                     | Fixed Rate         | Counterparty          | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--|--------------------|-----------------------|-----------------|-----------------------|-------------------------|
| Change in Return of the Consumer Price Index for All | 2.18% <sup>3</sup> | Bank of America Corp. | 10/06/21        | USD 1,885             | \$ (43,387)             |

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Urban Consumers

<sup>3</sup> Trust pays the total return of the reference entity and receives the fixed rate. Net payment made at termination.

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

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

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

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

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

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

|   | Level 1             | Level 2               | Level 3             | Total                 |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                            |                     |                       |                     |                       |
| Investments:                              |                     |                       |                     |                       |
| Long-Term Investments:                    |                     |                       |                     |                       |
| Asset-Backed Securities                   |                     | \$ 24,347,936         | \$ 1,537,590        | \$ 25,885,526         |
| Common Stocks                             | \$ 89,704           |                       | 1                   | 89,705                |
| Corporate Bonds                           |                     | 308,740,663           | 1,957,000           | 310,697,663           |
| Foreign Agency Obligations                |                     | 6,583,795             |                     | 6,583,795             |
| Non-Agency Mortgage-Backed Securities     |                     | 65,039,095            | 523,393             | 65,562,488            |
| Preferred Securities                      | 4,707,208           | 8,283,955             |                     | 12,991,163            |
| Taxable Municipal Bonds                   |                     | 15,048,232            |                     | 15,048,232            |
| US Government Sponsored Agency Securities |                     | 84,302,078            | 36,218              | 84,338,296            |
| US Treasury Obligations                   |                     | 94,501,614            |                     | 94,501,614            |
| Short-Term Securities                     | 1,343,014           |                       |                     | 1,343,014             |
| <b>Total</b>                              | <b>\$ 6,139,926</b> | <b>\$ 606,847,368</b> | <b>\$ 4,054,202</b> | <b>\$ 617,041,496</b> |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   | Level 1      | Level 2        | Level 3 | Total          |
|---|--------------|----------------|---------|----------------|
| Derivative Financial Instruments <sup>1</sup> |              |                |         |                |
| <b>Assets:</b>                                |              |                |         |                |
| Credit contracts                              |              | \$ 393,022     |         | \$ 393,022     |
| Equity contracts                              |              | 271,612        |         | 271,612        |
| Foreign currency exchange contracts           |              | 22,416         |         | 22,416         |
| Interest rate contracts                       | \$ 534,832   | 1,765,063      |         | 2,299,895      |
| <b>Liabilities:</b>                           |              |                |         |                |
| Credit contracts                              |              | (63,173)       |         | (63,173)       |
| Equity contracts                              |              | (114,598)      |         | (114,598)      |
| Foreign currency exchange contracts           |              | (303,654)      |         | (303,654)      |
| Interest rate contracts                       | (911,534)    | (10,334,533)   |         | (11,246,067)   |
| Other contracts                               |              | (43,387)       |         | (43,387)       |
| <b>Total</b>                                  | \$ (376,702) | \$ (8,407,232) |         | \$ (8,783,934) |

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

Certain of the Trust's assets and liabilities are held at carrying or face value amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|   | Level 1       | Level 2          | Level 3 | Total            |
|---|---------------|------------------|---------|------------------|
| <b>Assets:</b>  |               |                  |         |                  |
| Cash  | \$ 325,000    |                  |         | \$ 325,000       |
| Foreign currency at value                                     | 548,136       |                  |         | 548,136          |
| Cash pledged as collateral for financial futures contracts    | 1,344,000     |                  |         | 1,344,000        |
| Cash pledged as collateral for reverse repurchase agreements  | 752,000       |                  |         | 752,000          |
| Cash pledged as collateral for swaps                          | 7,320,000     |                  |         | 7,320,000        |
| <b>Liabilities:</b>   |               |                  |         |                  |
| Cash received as collateral for swaps                         |               | \$ (1,200,000)   |         | (1,200,000)      |
| Cash received as collateral for reverse repurchase agreements |               | (127,000)        |         | (127,000)        |
| Reverse repurchase agreements                                 |               | (188,055,345)    |         | (188,055,345)    |
| <b>Total</b>  | \$ 10,289,136 | \$ (189,382,345) |         | \$ (179,093,209) |

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2012.

Certain of the Trust's investments are categorized as Level 3 and were valued utilizing transaction prices or third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in the unobservable inputs could result in a significantly lower or higher value in such Level 3 investments.

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

| Asset-Backed Securities | Common Stocks | Corporate Bonds | Non-Agency Mortgage-Backed Securities | Other Interests | Preferred Securities | US Government Sponsored Agency Securities | Warrants | Total |
|-------------------------|---------------|-----------------|---------------------------------------|-----------------|----------------------|---|----------|-------|
|-------------------------|---------------|-----------------|---------------------------------------|-----------------|----------------------|---|----------|-------|

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| <b>Assets:</b>  |                     |             |                     |                   |        |            |                  |           |                     |
|---|---------------------|-------------|---------------------|-------------------|--------|------------|------------------|-----------|---------------------|
| Opening balance, as of August 31, 2011                          | \$ 6,157,600        |             | \$ 2,004,500        | \$ 1,957,342      | \$ 190 | \$ 109,421 | \$ 80,827        | \$ 83,088 | \$ 10,392,968       |
| Transfers into Level 3 <sup>2</sup>                             |                     | \$ 1        |                     |                   |        |            |                  |           | 1                   |
| Transfers out of Level 3 <sup>3</sup>                           | (4,220,557)         |             |                     | (352,670)         |        |            |                  |           | (4,573,227)         |
| Accrued discounts/premiums                                      | (408,000)           |             | 199                 | 4,535             |        |            | (133)            |           | (403,399)           |
| Net realized gain (loss)  | 21                  | (1)         | 18,672              | 67,431            | 364    | 128,730    | (1,523)          |           | 213,694             |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 310,836             | 1           | (11,371)            | 8,053             | (190)  | (109,421)  | 748              | (83,088)  | 115,568             |
| Purchases   |                     |             |                     | 579,724           |        |            |                  |           | 579,724             |
| Sales   | (302,310)           |             | (55,000)            | (1,741,022)       | (364)  | (128,730)  | (43,701)         |           | (2,271,127)         |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 1,537,590</b> | <b>\$ 1</b> | <b>\$ 1,957,000</b> | <b>\$ 523,393</b> |        |            | <b>\$ 36,218</b> |           | <b>\$ 4,054,202</b> |

<sup>2</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$1 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>3</sup> As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$4,573,227 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$2,271,976.

See Notes to Financial Statements.



## Schedule of Investments (concluded)

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

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

|   | Credit<br>Contracts |
|---|---------------------|
| <b>Liabilities:</b>   |                     |
| Opening balance, as of August 31, 2011                          | \$ (941)            |
| Transfers into Level 3 <sup>1</sup>                             |                     |
| Transfers out of Level 3 <sup>1</sup>                           |                     |
| Accrued discounts/premiums                                      |                     |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 941                 |
| Purchases   |                     |
| Issues <sup>3</sup>   |                     |
| Sales   |                     |
| Settlements <sup>4</sup>  |                     |
| <b>Closing Balance, as of August 31, 2012</b>                   |                     |

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

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$0.

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

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

See Notes to Financial Statements.

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Schedule of Investments August 31, 2012

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Asset-Backed Securities</b>   |              |              |
| <b>Asset-Backed Securities 1.4%</b>  |              |              |
| First Franklin Mortgage Loan Asset-Backed Certificates,<br>Series 2005-FF2, Class M2, 0.68%, 3/25/35 (a) | \$ 5,214     | \$ 4,946,311 |
| Securitized Asset-Backed Receivables LLC Trust,<br>Series 2005-OP2, Class M1, 0.67%, 10/25/35 (a)        | 1,875        | 1,204,526    |
| Small Business Administration Participation<br>Certificates, Class 1:                                    |              |              |
| Series 1996-20E, 1, 7.60%, 5/01/16   | 112          | 118,718      |
| Series 1996-20G, 7.70%, 7/01/16  | 120          | 128,910      |
| Series 1996-20H, 7.25%, 8/01/16  | 177          | 188,875      |
| Series 1996-20K, 6.95%, 11/01/16   | 307          | 328,201      |
| Series 1997-20C, 7.15%, 3/01/17  | 133          | 143,533      |
|  |              | 7,059,074    |
| <b>Interest Only Asset-Backed Securities 0.2%</b>  |              |              |
| Small Business Administration, Series 1, 2.00%,<br>4/01/15   | 1,438        | 12,582       |
| Sterling Bank Trust, Series 2004-2, Class Note,<br>2.08%, 3/30/30 (b)                                    | 4,301        | 340,073      |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29   | 7,404        | 564,541      |
|  |              | 917,196      |
| <b>Total Asset-Backed Securities 1.6%</b>  |              | 7,976,270    |
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |              |
| <b>Collateralized Mortgage Obligations 1.4%</b>  |              |              |
| Collateralized Mortgage Obligation Trust, Series 40,<br>Class R, 580.50%, 4/01/18                        | (c)          | 90           |
| Deutsche ALT-A Securities, Inc. Alternate Loan Trust,<br>Series 2006-AR5, Class 22A, 5.50%, 10/25/21     | 814          | 830,451      |
| Homebanc Mortgage Trust, Series 2005-4, Class A1,<br>0.51%, 10/25/35 (a)                                 | 2,912        | 2,190,760    |
| JPMorgan Mortgage Trust, Series 2006-A7, Class 2A2,<br>2.71%, 1/25/37 (a)                                | 333          | 251,518      |
| Kidder Peabody Acceptance Corp., Series 1993-1,<br>Class A6, 16.18%, 8/25/23 (a)                         | 50           | 57,187       |
| Residential Funding Securities LLC, Series 2003-RM2,<br>Class AI5, 8.50%, 5/25/33                        | 2,134        | 2,269,118    |
| Structured Adjustable Rate Mortgage Loan Trust,<br>Series 2004-11, Class A, 2.88%, 8/25/34 (a)           | 1,385        | 1,319,463    |
|  |              | 6,918,587    |
| <b>Commercial Mortgage-Backed Securities 0.5%</b>  |              |              |
| Credit Suisse Mortgage Capital Certificates,<br>Series 2007-C2, Class A3, 5.54%, 1/15/49 (a)             | 2,420        | 2,700,856    |
| <b>Interest Only Collateralized Mortgage<br/>Obligations 1.0%</b>  |              |              |
| Bank of America Mortgage Securities, Inc.,<br>Series 2003-3, Class 1A, 0.28%, 5/25/33 (a)                | 55,752       | 357,984      |
| CitiMortgage Alternative Loan Trust, Series 2007-A5,<br>Class 1A7, 6.00%, 5/25/37                        | 894          | 222,099      |
| Collateralized Mortgage Obligation Trust, Series 42,<br>Class R, 6.000%, 10/01/14                        | (c)          | 1            |

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|  |        |         |
|--|--------|---------|
| First Boston Mortgage Securities Corp., Series C,<br>10.97%, 4/25/17               | 16     | 2,087   |
| GSMPS Mortgage Loan Trust, Series 1998-5, Class IO,<br>0.10%, 6/19/27 (a)(b)       | 4,056  | 86,601  |
| IndyMac INDX Mortgage Loan Trust, Series 2006-AR33,<br>Class 4AX, 0.17%, 1/25/37   | 90,589 | 452,944 |
| MASTR Adjustable Rate Mortgages Trust,<br>Series 2004-3, Class 3AX, 0.98%, 4/25/34 | 11,266 | 124,984 |
| MASTR Alternative Loans Trust, Series 2003-9,<br>Class 15X2, 6.00%, 1/25/19        | 429    | 53,343  |

|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Non-Agency Mortgage-Backed Securities</b>  |              |           |
| <b>Interest Only Collateralized Mortgage Obligations (concluded)</b>                            |              |           |
| Morgan Stanley Mortgage Loan Trust, Series 2004-3,<br>Class 1AX, 5.00%, 5/25/19                 | \$ 476       | \$ 43,288 |
| Sequoia Mortgage Trust, Series 2005-2, Class XA,<br>1.09%, 3/20/35 (a)                          | 37,750       | 607,538   |
| Structured Adjustable Rate Mortgage Loan Trust,<br>Series 2006-7, Class 3AS, 5.17%, 8/25/36 (a) | 24,498       | 2,882,341 |
| Vendee Mortgage Trust, Series 1999-2, Class 1,<br>0.04%, 5/15/29 (a)                            | 50,603       | 86,957    |
|   |              | 4,920,167 |

|  |       |        |
|--|-------|--------|
| <b>Interest Only Commercial Mortgage-Backed Securities 0.0%</b>  |       |        |
| Credit Suisse First Boston Mortgage Securities Corp.,<br>Series 1997-C1, Class AX, 1.31%, 6/20/29 (a)(b) | 2,401 | 45,646 |

|  |       |                   |
|--|-------|-------------------|
| <b>Principal Only Collateralized Mortgage Obligations 0.5%</b>   |       |                   |
| Countrywide Home Loan Mortgage Pass-Through Trust:   |       |                   |
| Series 2003-26, 8/25/33  | 1,190 | 1,147,015         |
| Series 2003-J4, 6/25/33  | 245   | 233,340           |
| Series 2003-J5, 7/25/33  | 374   | 356,681           |
| Series 2003-J8, 9/25/23  | 281   | 276,632           |
| Drexel Burnham Lambert CMO Trust, Class 1:   |       |                   |
| Series K, 9/23/17  | 7     | 7,206             |
| Series V, 9/01/18  | 17    | 17,001            |
| MASTR Asset Securitization Trust, Series 2004-3,<br>Class 4A15, 3/25/34                                | 53    | 46,358            |
| Residential Asset Securitization Trust,<br>Series 2005-A15, Class 1A8, 2/25/36                         | 756   | 443,892           |
| Structured Mortgage Asset Residential Trust,<br>Series 1993-3C, Class CX, 4/25/24                      | 7     | 5,426             |
| Washington Mutual Alternative Mortgage Pass-Through<br>Certificates, Series 2005-9, Class CP, 11/25/35 | 484   | 303,068           |
|  |       | 2,836,619         |
| <b>Total Non-Agency Mortgage-Backed Securities 3.4%</b>  |       | <b>17,421,875</b> |

|   |       |           |
|---|-------|-----------|
| <b>US Government Sponsored Agency Securities</b>                        |       |           |
| <b>Agency Obligations 2.5%</b>  |       |           |
| Federal Housing Administration:   |       |           |
| General Motors Acceptance Corp. Projects,<br>Series 56, 7.43%, 11/01/22 | 200   | 196,383   |
| Merrill Projects, Series 54, 7.43%, 5/15/23                             | 2     | 1,822     |
| Reilly Projects, Series 41, 8.28%, 3/01/20                              | 199   | 198,368   |
| USGI Projects, Series 87, 7.43%, 12/01/22                               | 63    | 61,392    |
| USGI Projects, Series 99, 7.43%, 6/01/21                                | 4,097 | 4,014,908 |
| USGI Projects, Series 99, 7.43%, 10/01/23                               | 38    | 37,687    |

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|  |        |            |
|--|--------|------------|
| USGI Projects, Series 99, 7.43%, 10/01/23    | 114    | 111,349    |
| Resolution Funding Corp., 2.76%, 4/15/30 (d) | 13,000 | 8,022,911  |
|  |        | 12,644,820 |

**Collateralized Mortgage Obligations 11.1%**

Fannie Mae Mortgage-Backed Securities:

|   |        |            |
|---|--------|------------|
| Series 1991-46, Class S, 2,461.75%, 5/25/21 (a) | (c)    | 6,195      |
| Series 1991-87, Class S, 26.02%, 8/25/21 (a)    | 42     | 72,815     |
| Series 1993-247, Class SN, 10.00%, 12/25/23 (a) | 327    | 425,650    |
| Series 2003-135, Class PB, 6.00%, 1/25/34       | 12,264 | 14,358,274 |
| Series 2004-31, Class ZG, 7.50%, 5/25/34        | 3,418  | 4,435,092  |
| Series 2005-73, Class DS, 16.94%, 8/25/35 (a)   | 2,511  | 3,491,851  |
| Series G-7, Class S, 1,116.37%, 3/25/21 (a)     | (c)    | 4,051      |
| Series G-17, Class S, 1,055.17%, 6/25/21 (a)    | (c)    | 4,709      |
| Series G-33, Class PV, 1,078.42%, 10/25/21      | (c)    | 4,446      |
| Series G-49, Class S, 1,008.80%, 12/25/21 (a)   | (c)    | 1,954      |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>US Government Sponsored Agency Securities</b>              |              |            |
| <b>Collateralized Mortgage Obligations (concluded)</b>        |              |            |
| Freddie Mac Mortgage-Backed Securities:                       |              |            |
| Series 19, Class F, 8.50%, 3/15/20                            | \$ 64        | \$ 69,958  |
| Series 19, Class R, 16,196.49%, 3/15/20 (a)                   |              | (c) 1,017  |
| Series 40, Class K, 6.50%, 8/17/24                            | 295          | 339,336    |
| Series 75, Class R, 9.50%, 1/15/21                            |              | (c) 2      |
| Series 75, Class RS, 28.70%, 1/15/21 (a)                      |              | (c) 2      |
| Series 173, Class R, 9.00%, 11/15/21                          |              | (c) 11     |
| Series 173, Class RS, 9.27%, 11/15/21 (a)                     |              | (c) 11     |
| Series 192, Class U, 1,009.03%, 2/15/22 (a)                   |              | (c) 51     |
| Series 1057, Class J, 1,008.00%, 3/15/21                      |              | (c) 1,694  |
| Series 1160, Class F, 39.10%, 10/15/21 (a)                    | 16           | 35,429     |
| Series 2218, Class Z, 8.50%, 3/15/30                          | 4,622        | 5,381,068  |
| Series 2542, Class UC, 6.00%, 12/15/22                        | 6,120        | 6,856,413  |
| Series 2758, Class KV, 5.50%, 5/15/23                         | 8,870        | 9,993,286  |
| Series 2861, Class AX, 10.44%, 9/15/34 (a)                    | 152          | 170,056    |
| Series 2927, Class BZ, 5.50%, 2/15/35                         | 3,132        | 3,926,475  |
| Series T-11, Class A9, 2.68%, 1/25/28 (a)                     | 1,975        | 1,874,505  |
| Ginnie Mae Mortgage-Backed Securities:                        |              |            |
| Series 1996-5, Class Z, 7.00%, 5/16/26                        | 458          | 492,933    |
| Series 2001-33, Class PB, 6.50%, 7/20/31                      | 792          | 915,620    |
| Series 2004-89, Class PE, 6.00%, 10/20/34                     | 3,392        | 3,622,628  |
|   |              | 56,485,532 |
| <b>Federal Deposit Insurance Corporation</b>                  |              |            |
| <b>Guaranteed 0.8%</b>  |              |            |
| Citigroup Funding, Inc., 1.88%, 10/22/12                      | 3,800        | 3,809,291  |
| <b>Interest Only Collateralized Mortgage Obligations 5.7%</b> |              |            |
| Fannie Mae Mortgage-Backed Securities:                        |              |            |
| Series 7, Class 2, 8.50%, 4/01/17                             | 4            | 526        |
| Series 89, Class 2, 8.00%, 10/01/18                           | 6            | 783        |
| Series 94, Class 2, 9.50%, 8/01/21                            | 2            | 490        |
| Series 1990-123, Class M, 1,009.50%, 10/25/20                 |              | (c) 454    |
| Series 1990-136, Class S, 19.83%, 11/25/20 (a)                | 10           | 15,928     |
| Series 1991-99, Class L, 930.00%, 8/25/21                     |              | (c) 1,970  |
| Series 1991-139, Class PT, 648.35%, 10/25/21                  |              | (c) 3,348  |
| Series 1993-199, Class SB, 7.25%, 10/25/23 (a)                | 512          | 57,739     |
| Series 1996-68, Class SC, 7.85%, 1/25/24 (a)                  | 153          | 3,210      |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (a)                  | 285          | 10,325     |
| Series 1997-90, Class M, 6.00%, 1/25/28                       | 4,666        | 821,845    |
| Series 1999-W4, 6.50%, 12/25/28                               | 290          | 64,695     |
| Series 2003-80, Class DI, 5.50%, 10/25/31                     | 6,401        | 385,742    |
| Series 2010-74, Class DI, 5.00%, 12/25/39                     | 39,429       | 3,667,405  |
| Series 2010-75, Class PI, 4.50%, 12/25/36                     | 10,632       | 289,362    |
| Series 2010-126, Class UI, 5.50%, 10/25/40                    | 18,255       | 2,914,501  |
| Series 2012-96, Class DI, 4.00%, 2/25/27                      | 12,695       | 1,276,264  |
| Series G-10, Class S, 1,080.00%, 5/25/21 (a)                  |              | (c) 14,548 |
| Series G-12, Class S, 1,146.44%, 5/25/21 (a)                  |              | (c) 9,156  |
| Series G92-5, Class H, 9.00%, 1/25/22                         | 64           | 8,656      |
| Series G92-12, Class C, 1,016.90%, 2/25/22                    |              | (c) 3,744  |
| Series G92-60, Class SB, 1.60%, 10/25/22                      | 200          | 8,395      |

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Freddie Mac Mortgage-Backed Securities:

|  |        |           |
|--|--------|-----------|
| Series 176, Class M, 1,010.00%, 7/15/21        | (c)    | 581       |
| Series 200, Class R, 195,955.91%, 12/15/22 (a) | (c)    | 12        |
| Series 1043, Class H, 43.87%, 2/15/21 (a)      | 7      | 16,155    |
| Series 1054, Class I, 859.64%, 3/15/21 (a)     | (c)    | 1,462     |
| Series 1056, Class KD, 1,084.50%, 3/15/21      | (c)    | 1,245     |
| Series 1148, Class E, 1,167.37%, 10/15/21 (a)  | (c)    | 3,615     |
| Series 2559, 0.50%, 8/15/30 (a)                | 158    | 1,679     |
| Series 2611, Class QI, 5.50%, 9/15/32          | 2,823  | 322,495   |
| Series 2949, 5.50%, 3/15/35                    | 464    | 33,357    |
| Series 3744, Class PI, 4.00%, 6/15/39          | 19,412 | 2,863,283 |
| Series 3745, Class IN, 4.00%, 1/15/35          | 42,529 | 4,316,801 |
| Series 4026, 4.50%, 4/15/32                    | 6,967  | 1,115,231 |

US Government Sponsored Agency Securities

Interest Only Collateralized Mortgage Obligations (concluded)

Ginnie Mae Mortgage-Backed Securities:

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| Series 2010-101, Class YT, 2.00%, 8/16/13    | \$ 48,814    | \$ 757,144 |
| Series 2011-52, Class MJ, 6.41%, 4/20/41 (a) | 26,384       | 5,125,269  |
| Series 2011-52, Class NS, 6.43%, 4/16/41 (a) | 27,941       | 4,959,035  |
|  |              | 29,076,450 |

Mortgage-Backed Securities 125.5%

Fannie Mae Mortgage-Backed Securities:

|                                |         |             |
|--------------------------------|---------|-------------|
| 3.00%, 9/15/42 (e)             | 24,300  | 25,207,454  |
| 3.50%, 9/15/44 (e)             | 7,000   | 7,421,093   |
| 4.00%, 1/01/41 9/15/42 (e)     | 54,532  | 58,543,009  |
| 4.50%, 9/15/42 (e)(f)          | 189,700 | 208,930,119 |
| 5.00%, 1/01/23 9/15/42 (e)(g)  | 176,536 | 194,122,033 |
| 5.50%, 9/15/27 10/01/39 (e)(f) | 69,319  | 76,431,230  |
| 5.97%, 8/01/16                 | 3,016   | 3,458,688   |
| 6.00%, 9/15/42 (e)             | 21,800  | 24,018,320  |
| 6.50%, 12/01/37 10/01/39       | 33,154  | 37,794,277  |
| 7.50%, 2/01/22                 | (c)     | 107         |
| 9.50%, 1/01/19 9/01/19         | 3       | 2,572       |

Freddie Mac Mortgage-Backed Securities:

|                        |     |         |
|------------------------|-----|---------|
| 2.48%, 1/01/35 (a)     | 197 | 201,526 |
| 2.55%, 10/01/34 (a)    | 297 | 307,009 |
| 2.73%, 11/01/17 (a)    | 13  | 13,481  |
| 5.00%, 2/01/22 4/01/22 | 742 | 805,650 |
| 9.00%, 9/01/20         | 40  | 44,849  |

Ginnie Mae Mortgage-Backed Securities:

|                         |     |             |
|-------------------------|-----|-------------|
| 7.50%, 8/15/21 12/15/23 | 169 | 180,423     |
| 8.00%, 10/15/22 8/15/27 | 66  | 74,402      |
| 9.00%, 6/15/18 9/15/21  | 7   | 7,731       |
|                         |     | 637,563,973 |

Principal Only Collateralized Mortgage Obligations 0.4%

Fannie Mae Mortgage-Backed Securities:

|                                   |     |         |
|-----------------------------------|-----|---------|
| Series 203, Class 1, 2/01/23      | 16  | 14,709  |
| Series 228, Class 1, 6/01/23      | 13  | 10,799  |
| Series 1991-7, Class J, 2/25/21   | 17  | 15,589  |
| Series 1993-51, Class E, 2/25/23  | 54  | 48,592  |
| Series 1993-70, Class A, 5/25/23  | 8   | 7,500   |
| Series 1999-W4, Class PO, 2/25/29 | 146 | 139,937 |
| Series 2002-13, Class PR, 3/25/32 | 310 | 267,855 |
| Series G93-2, Class KB, 1/25/23   | 142 | 131,518 |

Freddie Mac Mortgage-Backed Securities:

|                                |     |         |
|--------------------------------|-----|---------|
| Series 1418, Class M, 11/15/22 | 58  | 52,373  |
| Series 1571, Class G, 8/15/23  | 366 | 354,008 |

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|   |        |             |
|---|--------|-------------|
| Series 1691, Class B, 3/15/24                                 | 735    | 629,492     |
| Series 1739, Class B, 2/15/24                                 | 5      | 4,734       |
| Series T-8, Class A10, 11/15/28                               | 122    | 110,689     |
|   |        | 1,787,795   |
| <b>Total US Government Sponsored Agency Securities 146.0%</b> |        | 741,367,861 |
| <b>US Treasury Obligations</b>                                |        |             |
| US Treasury Bonds, 2.75%, 8/15/42 (g)                         | 72,295 | 73,266,500  |
| US Treasury Notes:  |        |             |
| 0.50%, 7/31/17  | 1,090  | 1,085,487   |
| 0.63%, 8/31/17 (g)  | 18,690 | 18,716,278  |
| 0.88%, 7/31/19 (g)  | 1,715  | 1,701,736   |
| 1.00%, 8/31/19  | 1,365  | 1,364,466   |
| 1.63%, 8/15/22 (g)  | 2,525  | 2,539,597   |
| <b>Total US Treasury Obligations 19.4%</b>                    |        | 98,674,064  |
| <b>Total Long-Term Investments</b>                            |        |             |
| <b>(Cost \$840,915,743) 170.4%</b>                            |        | 865,440,070 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000)         | Value          |
|--|----------------------|----------------|
| <b>Short-Term Securities</b>   |                      |                |
| <b>Borrowed Bond Agreements</b> 3.8%   |                      |                |
| BNP Paribas SA:  |                      |                |
| 0.13%, Open  | \$ 7,264             | \$ 7,264,256   |
| 0.14%, Open  | 938                  | 938,400        |
| Credit Suisse Securities (USA) LLC:  |                      |                |
| 0.00%, Open  | 101                  | 100,750        |
| 0.11%, Open  | 438                  | 437,800        |
| 0.15%, Open  | 6,508                | 6,508,450      |
| 0.18%, Open  | 3,859                | 3,859,125      |
|  |                      | 19,108,781     |
|  |                      | <b>Shares</b>  |
| <b>Money Market Funds</b> 0.4%   |                      |                |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (h)(i)                                  |                      |                |
|  | 2,187,808            | 2,187,808      |
| <b>Total Short-Term Securities</b><br>(Cost \$21,296,589) 4.2%   |                      | 21,296,589     |
| <b>Total Investments Before Borrowed Bonds<br/>and TBA Sale Commitments</b><br>(Cost \$862,212,332) 174.6% |                      | 886,736,659    |
|  | <b>Par<br/>(000)</b> |                |
| <b>Borrowed Bonds</b>  |                      |                |
| US Treasury Notes:   |                      |                |
| 1.25%, 2/15/14   | \$ 920               | (933,728)      |
| 2.13%, 2/29/16   | 6,845                | (7,264,790)    |
| 1.00%, 10/31/16  | 3,765                | (3,848,538)    |
| 0.88%, 12/31/16  | 6,460                | (6,565,479)    |
| 0.88%, 2/28/17   | 440                  | (447,116)      |
| 1.00%, 3/31/17   | 100                  | (102,101)      |
| <b>Total Borrowed Bonds</b><br>(Proceeds \$18,489,219) (3.8)%  |                      | (19,161,752)   |
| <b>TBA Sale Commitments (e)</b>  |                      |                |
| Fannie Mae Mortgage-Backed Securities:   |                      |                |
| 4.00%, 1/01/41 9/15/42   | 3,000                | (3,216,094)    |
| 4.50%, 9/15/27 9/15/42   | 43,200               | (46,711,998)   |
| 5.00%, 9/15/27 9/15/42   | 71,800               | (78,401,965)   |
| <b>Total TBA Sale Commitments</b><br>(Proceeds \$128,007,914) (25.2)%                                      |                      | (128,330,057)  |
| <b>Total Investments, Net of Borrowed Bonds and<br/>TBA Sale Commitments</b> 145.6%                        |                      | 739,244,850    |
| <b>Liabilities in Excess of Other Assets</b> (45.6)%   |                      | (231,393,030)  |
| <b>Net Assets</b> 100.0%   |                      | \$ 507,851,820 |



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- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Amount is less than \$500.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (e) Represents or includes a TBA transaction. Unsettled TBA transactions as of August 31, 2012 were as follows:

| Counterparty              | Value           | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------|-----------------|--|
| Bank of America Corp.     | \$ (4,112,890)  | \$ (33,859)                                  |
| Credit Suisse Group AG    | \$ 56,971,711   | \$ 205,875                                   |
| Deutsche Bank AG          | \$ 2,983,937    | \$ (187,742)                                 |
| Goldman Sachs Group, Inc. | \$ 21,058,079   | \$ 79,298                                    |
| JPMorgan Chase & Co.      | \$ 8,251,312    | \$ 12,882                                    |
| Morgan Stanley            | \$ (13,710,046) | \$ 26,790                                    |

- (f) All or a portion of security has been pledged as collateral in connection with swaps.
- (g) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (h) Investments in issuers considered to be an affiliate of the Trust during the year ended August 31, 2012, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

| Affiliate   | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>August 31,<br>2012 | Income  |
|---|--------------------------------------|-----------------|--------------------------------------|---------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class | 3,958,025                            | (1,770,217)     | 2,187,808                            | \$9,117 |

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

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

Reverse repurchase agreements outstanding as of August 31, 2012 were as follows:

| Counterparty                          | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Face<br>Value         | Face Value<br>Including<br>Accrued<br>Interest |
|---------------------------------------|------------------|---------------|------------------|-----------------------|--|
| Credit Suisse<br>Securities (USA) LLC | 0.31%            | 8/10/12       | 9/13/12          | \$ 39,738,879         | \$ 39,750,856                                  |
| Bank of America<br>Merrill Lynch      | 0.23%            | 8/30/12       | 9/04/12          | 2,996,250             | 2,996,365                                      |
| BNP Paribas<br>Securities Corp.       | 0.17%            | 8/30/12       | 9/04/12          | 72,385,369            | 72,387,420                                     |
| BNP Paribas<br>Securities Corp.       | 0.19%            | 8/30/12       | 9/04/12          | 2,057,425             | 2,057,490                                      |
| Credit Suisse<br>Securities (USA) LLC | (0.02)%          | 8/30/12       | 9/04/12          | 2,528,156             | 2,528,148                                      |
| <b>Total</b>                          |                  |               |                  | <b>\$ 119,706,079</b> | <b>\$ 119,720,279</b>                          |

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Schedule of Investments (continued)

BlackRock Income Trust, Inc. (BKT)

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

| Contracts    | Issue                       | Exchange               | Expiration     | Notional Value | Unrealized Appreciation |
|--------------|-----------------------------|------------------------|----------------|----------------|-------------------------|
| 123          | 90-Day Euro-Dollar          | Chicago Mercantile     | September 2012 | \$ 30,630,075  | \$ 38,666               |
| 52           | 90-Day Euro-Dollar          | Chicago Mercantile     | December 2012  | \$ 12,953,850  | 20,141                  |
| 43           | Ultra Long US Treasury Bond | Chicago Board of Trade | December 2012  | \$ 7,267,000   | 81,551                  |
| 24           | 90-Day Euro-Dollar          | Chicago Mercantile     | March 2013     | \$ 5,978,700   | 5,717                   |
| 63           | 90-Day Euro-Dollar          | Chicago Mercantile     | June 2013      | \$ 15,692,513  | 31,349                  |
| 57           | 90-Day Euro-Dollar          | Chicago Mercantile     | September 2013 | \$ 14,195,850  | 28,871                  |
| 18           | 90-Day Euro-Dollar          | Chicago Mercantile     | December 2013  | \$ 4,481,775   | 6,018                   |
| <b>Total</b> |                             |                        |                |                | \$ 212,313              |

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

| Contracts    | Issue                    | Exchange               | Expiration     | Notional Value | Unrealized Depreciation |
|--------------|--------------------------|------------------------|----------------|----------------|-------------------------|
| 125          | 2-Year US Treasury Note  | Chicago Board of Trade | December 2012  | \$ 27,572,266  | \$ (21,104)             |
| 743          | 5-Year US Treasury Note  | Chicago Board of Trade | December 2012  | \$ 92,625,398  | (340,959)               |
| 1,519        | 10-Year US Treasury Note | Chicago Board of Trade | December 2012  | \$ 203,118,781 | (1,553,324)             |
| 36           | 30-Year US Treasury Bond | Chicago Board of Trade | December 2012  | \$ 5,450,625   | (59,778)                |
| 7            | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2014     | \$ 1,742,475   | (2,118)                 |
| 25           | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2014      | \$ 6,220,938   | (15,678)                |
| 25           | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2014 | \$ 6,218,438   | (18,509)                |
| 25           | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2014  | \$ 6,214,687   | (20,590)                |
| 25           | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2015     | \$ 6,211,562   | (20,578)                |
| <b>Total</b> |                          |                        |                |                | \$ (2,052,638)          |

Interest rate swaps outstanding as of August 31, 2012 were as follows:

Counterparty

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| Fixed Rate         | Floating Rate |                           | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|---------------------------|-----------------|-----------------------|--|
| 4.88% <sup>1</sup> | 3-month LIBOR | UBS AG                    | 3/21/15         | \$ 25,000             | \$ 2,813,523                           |
| 4.87% <sup>1</sup> | 3-month LIBOR | Goldman Sachs Group, Inc. | 1/25/16         | \$ 5,500              | 806,208                                |
| 2.81% <sup>1</sup> | 3-month LIBOR | Citigroup, Inc.           | 2/06/16         | \$ 20,000             | 1,562,956                              |
| 5.72% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase & Co.      | 7/14/16         | \$ 5,400              | 1,062,683                              |
| 4.31% <sup>2</sup> | 3-month LIBOR | Deutsche Bank AG          | 10/01/18        | \$ 60,000             | (11,773,298)                           |
| 3.43% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase & Co.      | 3/28/21         | \$ 6,000              | 1,202,883                              |
| 5.41% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase & Co.      | 8/15/22         | \$ 9,565              | 3,359,900                              |
| <b>Total</b>       |               |                           |                 |                       | \$ (965,145)                           |

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

<sup>2</sup> Trust pays the fixed interest rate and receives the floating rate.

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

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

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

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

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

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Income Trust, Inc. (BKT)

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

|   | Level 1      | Level 2        | Level 3      | Total          |
|---|--------------|----------------|--------------|----------------|
| <b>Assets:</b>                            |              |                |              |                |
| Investments:                              |              |                |              |                |
| Long-Term Investments:                    |              |                |              |                |
| Asset-Backed Securities                   |              | \$ 7,059,074   | \$ 917,196   | \$ 7,976,270   |
| Non-Agency Mortgage-Backed Securities     |              | 13,353,977     | 4,067,898    | 17,421,875     |
| US Government Sponsored Agency Securities |              | 736,744,897    | 4,622,964    | 741,367,861    |
| US Treasury Obligations                   |              | 98,674,064     |              | 98,674,064     |
| Short-Term Securities:                    |              |                |              |                |
| Borrowed Bond Agreements                  |              | 19,108,781     |              | 19,108,781     |
| Money Market Funds                        | \$ 2,187,808 |                |              | 2,187,808      |
| <b>Liabilities:</b>                       |              |                |              |                |
| Investments:                              |              |                |              |                |
| Long-Term Investments:                    |              |                |              |                |
| Borrowed Bonds                            |              | (19,161,752)   |              | (19,161,752)   |
| TBA Sale Commitments                      |              | (128,330,057)  |              | (128,330,057)  |
| <b>Total</b>                              | \$ 2,187,808 | \$ 727,448,984 | \$ 9,608,058 | \$ 739,244,850 |

  

|   | Level 1        | Level 2       | Level 3 | Total          |
|---|----------------|---------------|---------|----------------|
| Derivative Financial Instruments <sup>1</sup> |                |               |         |                |
| <b>Assets:</b>                                |                |               |         |                |
| Interest rate contracts                       | \$ 212,313     | \$ 10,808,153 |         | \$ 11,020,466  |
| <b>Liabilities:</b>                           |                |               |         |                |
| Interest rate contracts                       | (2,052,638)    | (11,773,298)  |         | (13,825,936)   |
| <b>Total</b>                                  | \$ (1,840,325) | \$ (965,145)  |         | \$ (2,805,470) |

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

Certain of the Trust's assets and liabilities are held at carrying or face value amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1      | Level 2          | Level 3 | Total            |
|--|--------------|------------------|---------|------------------|
| <b>Assets:</b>   |              |                  |         |                  |
| Cash pledged as collateral for financial futures contracts   | \$ 2,464,000 |                  |         | \$ 2,464,000     |
| Cash pledged as collateral for swaps                         | 3,300,000    |                  |         | 3,300,000        |
| Cash pledged as collateral for reverse repurchase agreements | 50,000       |                  |         | 50,000           |
| <b>Liabilities:</b>  |              |                  |         |                  |
| Cash received as collateral for swaps                        |              | \$ (4,100,000)   |         | (4,100,000)      |
| Reverse repurchase agreements                                |              | (119,706,079)    |         | (119,706,079)    |
| <b>Total</b>   | \$ 5,814,000 | \$ (123,806,079) |         | \$ (117,992,079) |

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2012.

Certain of the Trust's investments are categorized as Level 3 and were valued utilizing transaction prices or third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in the unobservable inputs could result in a significantly lower or higher value in such Level 3 investments.

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

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

|   | Asset-Backed<br>Securities | Non-Agency<br>Mortgage-Backed<br>Securities | US Government<br>Sponsored<br>Agency<br>Securities | Total               |
|---|----------------------------|---|--|---------------------|
| <b>Assets:</b>  |                            |   |  |                     |
| Opening balance, as of August 31, 2011                          | \$ 1,038,628               | \$ 4,432,527                                | \$ 5,096,285                                       | \$ 10,567,440       |
| Transfers into Level 3 <sup>2</sup>                             |                            |   |  |                     |
| Transfers out of Level 3 <sup>2</sup>                           |                            |   |  |                     |
| Accrued discounts/premiums                                      | (429,565)                  | 44,402                                      | (13,872)   | (399,035)           |
| Net realized loss   |                            |   | (14,027)   | (14,027)            |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 331,765                    | (282,172)                                   | (63,757)   | (14,164)            |
| Purchases   |                            |   |  |                     |
| Sales   | (23,632)                   | (126,859)                                   | (381,665)  | (532,156)           |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 917,196</b>          | <b>\$ 4,067,898</b>                         | <b>\$ 4,622,964</b>                                | <b>\$ 9,608,058</b> |

<sup>2</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$19,455.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2012

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

| Common Stocks                             | Shares  | Value        |
|---|---------|--------------|
| <b>Auto Components 1.6%</b>               |         |              |
| Delphi Automotive Plc (a)                 | 53,804  | \$ 1,629,723 |
| <b>Media 0.1%</b>                         |         |              |
| Adelphia Recovery Trust                   | 396,568 | 793          |
| Cumulus Media, Inc., Class A (a)          | 23,466  | 65,001       |
|   |         | 65,794       |
| <b>Software 0.0%</b>                      |         |              |
| Bankruptcy Management Solutions, Inc. (a) | 84      | 1            |
| <b>Total Common Stocks 1.7%</b>           |         | 1,695,518    |

| Corporate Bonds  | Par<br>(000) |           |
|--|--------------|-----------|
| <b>Aerospace &amp; Defense 0.2%</b>  |              |           |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b)                           | USD 200      | 180,969   |
| <b>Airlines 0.4%</b>   |              |           |
| Delta Air Lines, Inc.:   |              |           |
| Series 2002-1, Class G-1, 6.72%, 7/02/24                                   | 143          | 155,110   |
| Series 2009-1-B, 9.75%, 6/17/18  | 37           | 40,327    |
| US Airways Pass-Through Trust, Series 2011-1,<br>Class C, 10.88%, 10/22/14 | 246          | 252,126   |
|  |              | 447,563   |
| <b>Auto Components 1.2%</b>  |              |           |
| Dana Holding Corp., 6.75%, 2/15/21   | 180          | 193,950   |
| Icahn Enterprises LP, 8.00%, 1/15/18                                       | 670          | 713,550   |
| Jaguar Land Rover Plc, 8.25%, 3/15/20                                      | GBP 177      | 296,440   |
|  |              | 1,203,940 |
| <b>Beverages 0.3%</b>  |              |           |
| Crown European Holdings SA:  |              |           |
| 7.13%, 8/15/18   | EUR 50       | 69,179    |
| 7.13%, 8/15/18 (b)   | 142          | 196,468   |
|  |              | 265,647   |
| <b>Biotechnology 0.0%</b>  |              |           |
| QHP Royalty Sub LLC, 10.25%, 3/15/15 (b)                                   | USD 20       | 20,488    |
| <b>Building Products 0.3%</b>  |              |           |
| Building Materials Corp. of America, 7.00%,<br>2/15/20 (b)                 | 210          | 227,325   |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                 | 135          | 82,350    |
|  |              | 309,675   |
| <b>Capital Markets 2.4%</b>  |              |           |
| E*Trade Financial Corp.:   |              |           |
| 12.50%, 11/30/17 (c)   | 390          | 445,087   |
| Series A, 2.25%, 8/31/19 (d)(e)  | 100          | 85,500    |
| The Goldman Sachs Group, Inc.:   |              |           |
| 5.38%, 3/15/20   | 225          | 242,475   |
| 6.00%, 6/15/20   | 250          | 279,709   |
| 5.75%, 1/24/22   | 525          | 579,318   |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b)                              | 170          | 192,432   |
| Merrill Lynch & Co., Inc., 6.05%, 5/16/16                                  | 325          | 350,241   |
| Morgan Stanley, 5.50%, 7/28/21   | 265          | 271,689   |
|  |              | 2,446,451 |

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| <b>Chemicals 3.1%</b>                                       |     |     |            |
|---|-----|-----|------------|
| Celanese US Holdings LLC, 5.88%, 6/15/21                    |     | 650 | 718,250    |
| Chemtura Corp., 7.88%, 9/01/18                              |     | 115 | 123,913    |
| Hexion US Finance Corp.:                                    |     |     |            |
| 6.63%, 4/15/20  |     | 95  | 95,950     |
| 9.00%, 11/15/20   |     | 115 | 98,325     |
| Huntsman International LLC, 8.63%, 3/15/21                  |     | 65  | 74,425     |
|   |     |     |            |
| <b>Corporate Bonds</b>                                      |     |     |            |
| <b>Chemicals (concluded)</b>                                |     |     |            |
| INEOS Finance Plc (b):                                      |     |     |            |
| 8.38%, 2/15/19  | USD | 300 | \$ 315,750 |
| 7.50%, 5/01/20  |     | 155 | 158,100    |
| Kinove German Bondco GmbH, 10.00%, 6/15/18                  | EUR | 98  | 134,495    |
| Kraton Polymers LLC, 6.75%, 3/01/19                         | USD | 45  | 46,125     |
| LyondellBasell Industries NV, 5.75%, 4/15/24                |     | 664 | 751,980    |
| Nexeo Solutions LLC, 8.38%, 3/01/18                         |     | 65  | 63,538     |
| PolyOne Corp., 7.38%, 9/15/20                               |     | 80  | 87,400     |
| TPC Group LLC, 8.25%, 10/01/17                              |     | 125 | 137,187    |
| Tronox Finance LLC, 6.38%, 8/15/20 (b)                      |     | 325 | 328,250    |
|   |     |     | 3,133,688  |
| <b>Commercial Banks 2.5%</b>                                |     |     |            |
| Amsouth Bank, Series AI, 4.85%, 4/01/13                     |     | 650 | 654,875    |
| Barclays Bank Plc, 5.14%, 10/14/20                          |     | 100 | 100,839    |
| CIT Group, Inc.:  |     |     |            |
| 7.00%, 5/02/16 (b)  |     | 480 | 481,633    |
| 7.00%, 5/02/17 (b)  |     | 520 | 520,719    |
| 5.25%, 3/15/18  |     | 110 | 114,675    |
| 5.50%, 2/15/19 (b)  |     | 120 | 125,100    |
| 5.00%, 8/15/22  |     | 110 | 110,833    |
| HSBC Bank Plc, 7.65%, 5/01/25                               |     | 350 | 395,260    |
|   |     |     | 2,503,934  |
| <b>Commercial Services &amp; Supplies 1.2%</b>              |     |     |            |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)             |     | 193 | 204,096    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)          |     | 11  | 11,110     |
| Clean Harbors, Inc., 5.25%, 8/01/20 (b)                     |     | 96  | 98,520     |
| Covanta Holding Corp., 6.38%, 10/01/22                      |     | 85  | 92,937     |
| Mobile Mini, Inc., 7.88%, 12/01/20                          |     | 135 | 144,788    |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21                  |     | 310 | 339,450    |
| Verisure Holding AB:  |     |     |            |
| 8.75%, 9/01/18  | EUR | 100 | 125,780    |
| 8.75%, 12/01/18   |     | 100 | 111,315    |
| West Corp., 8.63%, 10/01/18                                 | USD | 50  | 50,750     |
|   |     |     | 1,178,746  |
| <b>Communications Equipment 1.1%</b>                        |     |     |            |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20        |     | 175 | 189,000    |
| Zayo Group LLC/Zayo Capital, Inc.:                          |     |     |            |
| 8.13%, 1/01/20  |     | 708 | 752,250    |
| 10.13%, 7/01/20   |     | 186 | 199,485    |
|   |     |     | 1,140,735  |
| <b>Construction &amp; Engineering 0.1%</b>                  |     |     |            |
| Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (b) |     | 75  | 77,813     |
| <b>Construction Materials 0.6%</b>                          |     |     |            |
| HD Supply, Inc., 8.13%, 4/15/19 (b)                         |     | 452 | 490,420    |
| Xefin Lux SCA, 8.00%, 6/01/18 (b)                           | EUR | 100 | 122,635    |
|   |     |     | 613,055    |
| <b>Consumer Finance 1.5%</b>                                |     |     |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                     | USD | 185 | 203,500    |
| Ford Motor Credit Co. LLC, 2.75%, 5/15/15                   |     | 500 | 506,477    |



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|   |     |           |
|---|-----|-----------|
| SLM Corp., 5.38%, 5/15/14                   | 675 | 706,033   |
| Toll Brothers Finance Corp., 5.88%, 2/15/22 | 85  | 92,655    |
|   |     | 1,508,665 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Containers &amp; Packaging 0.8%</b>                           |              |            |
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (b)             | EUR 260      | \$ 345,832 |
| Berry Plastics Corp., 8.25%, 11/15/15                            | USD 45       | 47,362     |
| Beverage Packaging Holdings Luxembourg II SA,<br>8.00%, 12/15/16 | EUR 54       | 66,563     |
| GCL Holdings SCA, 9.38%, 4/15/18 (b)                             | 100          | 122,007    |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18        | USD 135      | 150,525    |
| Sealed Air Corp., 8.38%, 9/15/21 (b)                             | 65           | 73,125     |
|  |              | 805,414    |
| <b>Diversified Financial Services 6.1%</b>                       |              |            |
| Ally Financial, Inc.:  |              |            |
| 8.30%, 2/12/15   | 400          | 444,000    |
| 6.25%, 12/01/17  | 30           | 32,415     |
| 8.00%, 3/15/20   | 60           | 70,200     |
| 7.50%, 9/15/20   | 550          | 629,750    |
| 8.00%, 11/01/31  | 740          | 875,050    |
| 8.00%, 11/01/31  | 400          | 474,798    |
| Bank of America Corp.:   |              |            |
| 4.50%, 4/01/15   | 375          | 398,915    |
| 6.50%, 8/01/16   | 410          | 467,559    |
| 5.63%, 10/14/16  | 100          | 111,144    |
| 5.75%, 12/01/17  | 240          | 268,343    |
| Citigroup, Inc., 8.13%, 7/15/39                                  | 55           | 80,601     |
| DPL, Inc., 7.25%, 10/15/21 (b)                                   | 425          | 484,500    |
| Gala Group Finance Plc, 8.88%, 9/01/18                           | GBP 100      | 148,067    |
| Itau Unibanco Holding SA, 5.75%, 1/22/21 (b)                     | USD 225      | 236,250    |
| JPMorgan Chase & Co.:  |              |            |
| 5.50%, 10/15/40  | 175          | 209,801    |
| 5.60%, 7/15/41   | 175          | 214,497    |
| Macquarie Bank Ltd., 5.00%, 2/22/17 (b)                          | 200          | 208,920    |
| Reynolds Group Issuer, Inc.:                                     |              |            |
| 7.75%, 10/15/16  | EUR 100      | 129,868    |
| 7.88%, 8/15/19   | USD 180      | 200,250    |
| 9.88%, 8/15/19   | 200          | 211,500    |
| 6.88%, 2/15/21   | 125          | 135,313    |
| WMG Acquisition Corp.:   |              |            |
| 9.50%, 6/15/16   | 45           | 49,163     |
| 11.50%, 10/01/18   | 151          | 165,722    |
|  |              | 6,246,626  |
| <b>Diversified Telecommunication Services 2.6%</b>               |              |            |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 (a)(f)     |              |            |
|  | 155          | 104,625    |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b)                 | 150          | 153,000    |
| Level 3 Financing, Inc.:   |              |            |
| 8.13%, 7/01/19   | 1,310        | 1,372,225  |
| 8.63%, 7/15/20   | 188          | 201,160    |
| OTE Plc, 5.00%, 8/05/13  | EUR 40       | 43,607     |
| Qwest Corp., 7.25%, 10/15/35                                     | USD 200      | 205,010    |
| Telefonica Emisiones SAU, 5.46%, 2/16/21                         | 250          | 230,000    |

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Telenet Finance V Luxembourg SCA:

|                   |     |     |           |
|-------------------|-----|-----|-----------|
| 6.25%, 8/15/22    | EUR | 100 | 126,409   |
| 6.75%, 8/15/24    |     | 100 | 127,667   |
| Windstream Corp.: |     |     |           |
| 8.13%, 8/01/13    | USD | 45  | 47,475    |
| 7.88%, 11/01/17   |     | 65  | 70,687    |
|                   |     |     | 2,681,865 |

**Electric Utilities 2.6%**

|  |     |       |           |
|--|-----|-------|-----------|
| Nisource Finance Corp., 3.85%, 2/15/23             |     | 400   | 414,592   |
| Oncor Electric Delivery Co. LLC, 4.10%, 6/01/22    |     | 325   | 339,261   |
| Progress Energy, Inc., 7.75%, 3/01/31              |     | 1,000 | 1,418,099 |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14 | EUR | 400   | 500,755   |
|  |     |       | 2,672,707 |

|  |     | Par<br>(000) | Value     |
|--|-----|--------------|-----------|
| <b>Corporate Bonds</b>   |     |              |           |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b> |     |              |           |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            | USD | 45           | \$ 54,000 |
| <b>Energy Equipment &amp; Services 4.4%</b>                    |     |              |           |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                       |     | 145          | 142,100   |
| Compagnie Générale de Géophysique, Veritas:                    |     |              |           |
| 7.75%, 5/15/17   |     | 55           | 57,475    |
| 6.50%, 6/01/21   |     | 200          | 208,250   |
| Energy Transfer Partners LP, 5.20%, 2/01/22                    |     | 600          | 660,434   |
| EnSCO Plc, 4.70%, 3/15/21                                      |     | 425          | 476,883   |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                    |     | 130          | 126,100   |
| Frac Tech Services LLC, 8.13%, 11/15/18 (b)                    |     | 640          | 660,800   |
| Key Energy Services, Inc., 6.75%, 3/01/21                      |     | 160          | 162,800   |
| MEG Energy Corp. (b):  |     |              |           |
| 6.50%, 3/15/21   |     | 330          | 347,325   |
| 6.38%, 1/30/23   |     | 45           | 46,913    |
| Oil States International, Inc., 6.50%, 6/01/19                 |     | 115          | 122,188   |
| Peabody Energy Corp., 6.25%, 11/15/21 (b)                      |     | 655          | 666,462   |
| Precision Drilling Corp., 6.50%, 12/15/21                      |     | 105          | 110,250   |
| Transocean, Inc., 6.50%, 11/15/20                              |     | 550          | 657,421   |
|  |     |              | 4,445,401 |
| <b>Food Products 1.1%</b>                                      |     |              |           |
| Darling International, Inc., 8.50%, 12/15/18                   |     | 90           | 101,925   |
| Kraft Foods, Inc.:   |     |              |           |
| 6.50%, 8/11/17   |     | 600          | 737,694   |
| 6.13%, 8/23/18   |     | 250          | 309,192   |
|  |     |              | 1,148,811 |
| <b>Gas Utilities 0.2%</b>                                      |     |              |           |
| El Paso Natural Gas Co., 8.63%, 1/15/22                        |     | 145          | 191,410   |
| <b>Health Care Equipment &amp; Supplies 0.8%</b>               |     |              |           |
| DJO Finance LLC:   |     |              |           |
| 10.88%, 11/15/14   |     | 201          | 209,794   |
| 7.75%, 4/15/18   |     | 40           | 36,600    |
| Fresenius Medical Care US Finance, Inc., 6.50%, 9/15/18 (b)    |     |              |           |
|  |     | 38           | 42,608    |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b)              |     | 410          | 472,012   |
| Teleflex, Inc., 6.88%, 6/01/19                                 |     | 105          | 112,350   |
|  |     |              | 873,364   |
| <b>Health Care Providers &amp; Services 6.1%</b>               |     |              |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                  |     | 150          | 156,000   |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18             |     |              |           |
|  |     | 100          | 103,125   |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b)                  | EUR | 200          | 269,169   |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (b)                          | GBP | 200          | 319,952   |
| HCA, Inc.:   |     |              |           |
| 8.50%, 4/15/19   | USD | 40           | 45,100    |

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|                                       |       |           |
|---------------------------------------|-------|-----------|
| 6.50%, 2/15/20                        | 730   | 802,087   |
| 7.88%, 2/15/20                        | 35    | 39,069    |
| 7.25%, 9/15/20                        | 805   | 892,041   |
| 5.88%, 3/15/22                        | 183   | 194,666   |
| Hologic, Inc., 6.25%, 8/01/20 (b)     | 190   | 201,163   |
| IASIS Healthcare LLC, 8.38%, 5/15/19  | 270   | 257,512   |
| INC Research LLC, 11.50%, 7/15/19 (b) | 145   | 142,100   |
| inVentiv Health, Inc. (b):            |       |           |
| 10.00%, 8/15/18                       | 50    | 42,125    |
| 10.25%, 8/15/18                       | 10    | 8,425     |
| Omnicare, Inc., 7.75%, 6/01/20        | 260   | 286,650   |
| Symbion, Inc., 8.00%, 6/15/16         | 125   | 126,328   |
| Tenet Healthcare Corp.:               |       |           |
| 10.00%, 5/01/18                       | 665   | 764,750   |
| 6.25%, 11/01/18                       | 120   | 130,275   |
| 8.88%, 7/01/19                        | 195   | 221,813   |
| WellPoint, Inc., 5.95%, 12/15/34      | 1,000 | 1,191,989 |
|                                       |       | 6,194,339 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Health Care Technology 0.8%</b>                              |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (b)                           | USD 660      | \$ 775,500 |
| <b>Hotels, Restaurants &amp; Leisure 2.5%</b>                   |              |            |
| Caesars Entertainment Operating Co., Inc.:                      |              |            |
| 11.25%, 6/01/17   | 140          | 150,850    |
| 10.00%, 12/15/18  | 996          | 627,480    |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (b)                | 303          | 301,485    |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                     | EUR 51       | 56,290     |
| Diamond Resorts Corp., 12.00%, 8/15/18                          | USD 310      | 329,762    |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (b)                       | 50           | 48,750     |
| Gategroup Finance Luxembourg SA, 6.75%,<br>3/01/19              | EUR 100      | 128,610    |
| MGM Resorts International:                                      |              |            |
| 10.38%, 5/15/14   | USD 750      | 851,250    |
| 11.13%, 11/15/17  | 65           | 72,313     |
| Tropicana Entertainment LLC, 9.63%,<br>12/15/14 (a)(f)          | 50           |            |
|   |              | 2,566,790  |
| <b>Household Durables 1.3%</b>                                  |              |            |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (b)                      | 145          | 148,263    |
| Ryland Group, Inc., 6.63%, 5/01/20                              | 130          | 137,150    |
| Spie BondCo 3 SCA, 11.00%, 8/15/19                              | EUR 109      | 139,157    |
| Standard Pacific Corp.:   |              |            |
| 10.75%, 9/15/16   | USD 565      | 682,237    |
| 8.38%, 1/15/21  | 200          | 223,000    |
|   |              | 1,329,807  |
| <b>Household Products 0.1%</b>                                  |              |            |
| Ontex IV SA, 7.50%, 4/15/18 (b)                                 | EUR 100      | 127,667    |
| <b>Independent Power Producers &amp; Energy Traders 2.5%</b>    |              |            |
| The AES Corp., 7.38%, 7/01/21                                   | USD 95       | 108,775    |
| Calpine Corp. (b):  |              |            |
| 7.25%, 10/15/17   | 80           | 85,600     |
| 7.50%, 2/15/21  | 80           | 88,800     |
| 7.88%, 1/15/23  | 70           | 79,100     |
| Energy Future Holdings Corp., 10.00%, 1/15/20                   | 945          | 1,041,862  |
| Energy Future Intermediate Holding Co. LLC, 10.00%,<br>12/01/20 | 450          | 505,125    |
| Exelon Generation Co. LLC, 4.25%, 6/15/22 (b)                   | 357          | 371,124    |
| Laredo Petroleum, Inc.:   |              |            |
| 9.50%, 2/15/19  | 115          | 130,525    |
| 7.38%, 5/01/22  | 50           | 53,750     |
| QEP Resources, Inc., 5.38%, 10/01/22                            | 75           | 76,875     |
|   |              | 2,541,536  |
| <b>Industrial Conglomerates 1.9%</b>                            |              |            |
| The ADT Corp. (b):  |              |            |
| 3.50%, 7/15/22  | 300          | 311,616    |
| 4.88%, 7/15/42  | 200          | 217,551    |
| Sequa Corp. (b):  |              |            |
| 11.75%, 12/01/15  | 460          | 483,000    |
| 13.50%, 12/01/15  | 854          | 905,514    |

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|   |       |           |
|---|-------|-----------|
|   |       | 1,917,681 |
| <b>Insurance 3.3%</b>                                     |       |           |
| American International Group, Inc., 6.40%,<br>12/15/20    | 1,130 | 1,342,859 |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)             | 130   | 142,187   |
| Genworth Financial, Inc., 7.63%, 9/24/21                  | 150   | 153,270   |
| Lincoln National Corp., 8.75%, 7/01/19                    | 575   | 744,045   |
| MetLife Capital Trust X, 9.25%, 4/08/68 (b)               | 150   | 191,250   |
| Metropolitan Life Global Funding I, 5.13%,<br>6/10/14 (b) | 250   | 268,740   |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)         | 90    | 80,550    |
| Prudential Financial, Inc., 5.38%, 6/21/20                | 400   | 462,184   |
|   |       | 3,385,085 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>IT Services 2.3%</b>   |              |            |
| Ceridian Corp., 8.88%, 7/15/19 (b)  | USD 370      | \$ 396,825 |
| First Data Corp.:   |              |            |
| 7.38%, 6/15/19 (b)  | 481          | 496,633    |
| 8.88%, 8/15/20 (b)  | 195          | 212,550    |
| 8.25%, 1/15/21 (b)  | 145          | 143,731    |
| 12.63%, 1/15/21   | 525          | 531,562    |
| SunGard Data Systems, Inc.:   |              |            |
| 7.38%, 11/15/18   | 280          | 297,500    |
| 7.63%, 11/15/20   | 220          | 235,950    |
|   |              | 2,314,751  |
| <b>Machinery 0.8%</b>   |              |            |
| SPX Corp., 6.88%, 9/01/17   | 65           | 72,150     |
| UR Financing Escrow Corp. (b):  |              |            |
| 5.75%, 7/15/18  | 50           | 52,875     |
| 7.38%, 5/15/20  | 125          | 132,500    |
| 7.63%, 4/15/22  | 550          | 594,000    |
|   |              | 851,525    |
| <b>Media 14.6%</b>  |              |            |
| Affinion Group, Inc., 7.88%, 12/15/18                                       | 290          | 207,350    |
| AMC Networks, Inc., 7.75%, 7/15/21  | 80           | 90,600     |
| CCH II LLC, 13.50%, 11/30/16  | 289          | 316,925    |
| CCO Holdings LLC:   |              |            |
| 6.50%, 4/30/21  | 520          | 557,700    |
| 5.25%, 9/30/22  | 203          | 200,970    |
| Checkout Holding Corp., 16.03%, 11/15/15 (b)(d)                             | 245          | 149,450    |
| Cinemark USA, Inc., 8.63%, 6/15/19  | 60           | 67,200     |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21                       | 276          | 236,670    |
| Clear Channel Worldwide Holdings, Inc.:                                     |              |            |
| Series A, 9.25%, 12/15/17   | 374          | 404,855    |
| Series B, 9.25%, 12/15/17   | 1,899        | 2,062,789  |
| DIRECTV Holdings LLC:   |              |            |
| 3.80%, 3/15/22  | 250          | 258,241    |
| 6.00%, 8/15/40  | 175          | 197,832    |
| DISH DBS Corp., 7.00%, 10/01/13   | 201          | 212,306    |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b)                           | 184          | 198,260    |
| Intelsat Luxembourg SA:   |              |            |
| 11.25%, 2/04/17   | 440          | 462,000    |
| 11.50%, 2/04/17 (c)   | 480          | 504,000    |
| Interactive Data Corp., 10.25%, 8/01/18                                     | 340          | 383,350    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     | 45           | 50,287     |
| Kabel Deutschland Vertrieb und Service GmbH &<br>Co. KG, 6.50%, 6/29/18 (b) | EUR 125      | 169,410    |
|   | USD 150      | 160,500    |

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|  |     |       |           |
|--|-----|-------|-----------|
| Live Nation Entertainment, Inc., 8.13%,<br>5/15/18 (b) |     |       |           |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b) |     | 243   | 270,945   |
| NBC Universal Media LLC, 6.40%, 4/30/40                |     | 530   | 686,647   |
| The New York Times Co., 6.63%, 12/15/16                |     | 500   | 542,500   |
| News America, Inc., 6.20%, 12/15/34                    |     | 825   | 993,774   |
| Nielsen Finance LLC, 7.75%, 10/15/18                   |     | 765   | 860,625   |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (b)              | GBP | 100   | 157,594   |
| ProQuest LLC, 9.00%, 10/15/18 (b)                      | USD | 130   | 119,275   |
| TCI Communications, Inc., 7.88%, 2/15/26               |     | 1,000 | 1,404,726 |
| Time Warner Cable, Inc., 5.88%, 11/15/40               |     | 410   | 486,462   |
| Unitymedia GmbH:                                       |     |       |           |
| 9.63%, 12/01/19  | EUR | 50    | 70,673    |
| 9.63%, 12/01/19 (b)                                    |     | 190   | 268,556   |
| 9.50%, 3/15/21   |     | 150   | 215,320   |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>                                |     |              |            |
| <b>Media (concluded)</b>                              |     |              |            |
| Unitymedia Hessen GmbH & Co. KG:                      |     |              |            |
| 8.13%, 12/01/17 (b)                                   | USD | 309          | \$ 334,492 |
| 7.50%, 3/15/19  | EUR | 337          | 464,147    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                    | USD | 100          | 112,250    |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (b)              | EUR | 292          | 383,805    |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18      | USD | 200          | 218,000    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                 | EUR | 165          | 227,772    |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                 |     | 88           | 118,158    |
|   |     |              | 14,826,416 |
| <b>Metals &amp; Mining 3.4%</b>                       |     |              |            |
| Barrick Gold Corp., 2.90%, 5/30/16                    | USD | 225          | 236,794    |
| Barrick North America Finance LLC, 5.70%, 5/30/41     |     | 250          | 287,564    |
| Eco-Bat Finance Plc, 7.75%, 2/15/17                   | EUR | 100          | 127,038    |
| FMG Resources August 2006 Property Ltd. (b):          |     |              |            |
| 6.88%, 2/01/18  | USD | 15           | 14,288     |
| 6.88%, 4/01/22  |     | 20           | 18,400     |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)                    |     | 220          | 253,550    |
| New Gold, Inc., 7.00%, 4/15/20 (b)                    |     | 30           | 31,575     |
| New World Resources NV:                               |     |              |            |
| 7.88%, 5/01/18  | EUR | 65           | 81,348     |
| 7.88%, 5/01/18 (b)                                    |     | 76           | 95,115     |
| Newmont Mining Corp.:                                 |     |              |            |
| 5.13%, 10/01/19                                       | USD | 225          | 257,375    |
| Series A, 1.25%, 7/15/14 (e)                          |     | 200          | 254,250    |
| Novelis, Inc., 8.75%, 12/15/20                        |     | 1,195        | 1,335,412  |
| Schmolz + Bickenbach Luxembourg SA, 9.88%,<br>5/15/19 |     |              |            |
|   | EUR | 115          | 116,802    |
| Taseko Mines Ltd., 7.75%, 4/15/19                     | USD | 150          | 142,875    |
| Vedanta Resources Plc, 8.25%, 6/07/21 (b)             |     | 200          | 191,000    |
|   |     |              | 3,443,386  |
| <b>Oil, Gas &amp; Consumable Fuels 10.7%</b>          |     |              |            |
| Access Midstream Partners LP, 6.13%, 7/15/22          |     |              |            |
|   |     | 100          | 103,750    |
| Alpha Natural Resources, Inc.:                        |     |              |            |
| 6.00%, 6/01/19  |     | 20           | 18,000     |
| 6.25%, 6/01/21  |     | 30           | 26,850     |
| Anadarko Petroleum Corp.:                             |     |              |            |
| 5.95%, 9/15/16  |     | 365          | 422,080    |
| 6.38%, 9/15/17  |     | 75           | 89,676     |
| 6.95%, 6/15/19  |     | 150          | 186,780    |
| Berry Petroleum Co., 6.38%, 9/15/22                   |     | 90           | 95,850     |
| Chesapeake Energy Corp.:                              |     |              |            |
| 7.25%, 12/15/18                                       |     | 10           | 10,475     |
| 6.63%, 8/15/20  |     | 90           | 92,475     |
| 6.13%, 2/15/21  |     | 95           | 94,288     |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)         |     | 44           | 46,860     |
| Concho Resources, Inc.:                               |     |              |            |
| 7.00%, 1/15/21  |     | 80           | 89,200     |
| 6.50%, 1/15/22  |     | 50           | 54,000     |
| CONSOL Energy, Inc., 8.25%, 4/01/20                   |     | 710          | 765,025    |
| Continental Resources, Inc.:                          |     |              |            |



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|   |     |         |
|---|-----|---------|
| 7.13%, 4/01/21  | 135 | 151,200 |
| 5.00%, 9/15/22  | 145 | 151,525 |
| Copano Energy LLC, 7.13%, 4/01/21                               | 105 | 109,725 |
| Crosstex Energy LP, 8.88%, 2/15/18                              | 65  | 69,388  |
| Denbury Resources, Inc., 8.25%, 2/15/20                         | 19  | 21,565  |
| El Paso Pipeline Partners Operating Co. LLC, 5.00%,<br>10/01/21 | 500 | 546,102 |
| Energy XXI Gulf Coast, Inc.:                                    |     |         |
| 9.25%, 12/15/17   | 145 | 161,675 |
| 7.75%, 6/15/19  | 320 | 340,000 |
| Enterprise Products Operating LLC, 3.70%, 6/01/15               | 500 | 533,777 |
| EP Energy LLC/EP Energy Finance, Inc., 6.88%,<br>5/01/19 (b)    | 60  | 64,350  |
| EV Energy Partners LP, 8.00%, 4/15/19                           | 55  | 56,788  |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)                         | 195 | 214,500 |

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>         |              |            |
| Kinder Morgan Energy Partners LP, 3.95%, 9/01/22           | USD 475      | \$ 504,122 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (b)                | 100          | 106,250    |
| Linn Energy LLC:   |              |            |
| 6.50%, 5/15/19 (b)   | 35           | 34,825     |
| 6.25%, 11/01/19 (b)  | 497          | 490,787    |
| 7.75%, 2/01/21   | 170          | 177,225    |
| MarkWest Energy Partners LP:                               |              |            |
| 6.25%, 6/15/22   | 30           | 31,875     |
| 5.50%, 2/15/23   | 40           | 40,900     |
| Newfield Exploration Co., 5.63%, 7/01/24                   | 85           | 92,225     |
| Nexen, Inc., 6.40%, 5/15/37                                | 150          | 187,020    |
| Oasis Petroleum, Inc.:                                     |              |            |
| 7.25%, 2/01/19   | 90           | 94,950     |
| 6.50%, 11/01/21  | 110          | 112,200    |
| Offshore Group Investments Ltd., 11.50%,<br>8/01/15 (b)    | 90           | 99,450     |
| OGX Petroleo e Gas Participações SA, 8.50%,<br>6/01/18 (b) | 1,105        | 980,687    |
| Petrobras International Finance Co.:                       |              |            |
| 3.88%, 1/27/16   | 1,100        | 1,154,873  |
| 5.88%, 3/01/18   | 200          | 226,336    |
| 7.88%, 3/15/19   | 100          | 123,992    |
| 6.88%, 1/20/40   | 25           | 31,174     |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)            | 210          | 224,175    |
| Pioneer Natural Resources Co.:                             |              |            |
| 6.88%, 5/01/18   | 35           | 42,374     |
| 7.50%, 1/15/20   | 55           | 68,787     |
| Range Resources Corp.:                                     |              |            |
| 8.00%, 5/15/19   | 45           | 49,725     |
| 5.75%, 6/01/21   | 350          | 372,313    |
| Sabine Pass Liquefied Natural Gas LP, 7.50%,<br>11/30/16   | 235          | 251,450    |
| Samson Investment Co., 9.75%, 2/15/20 (b)                  | 7            | 7,210      |
| SandRidge Energy, Inc.:                                    |              |            |
| 7.50%, 3/15/21 (b)   | 65           | 65,813     |
| 7.50%, 3/15/21   | 90           | 91,125     |
| 8.13%, 10/15/22 (b)  | 45           | 47,025     |
| 7.50%, 2/15/23 (b)   | 55           | 55,275     |
| SM Energy Co., 6.63%, 2/15/19                              | 45           | 47,025     |
| Western Gas Partners LP, 5.38%, 6/01/21                    | 325          | 360,955    |
| The Williams Cos., Inc., 8.75%, 3/15/32                    | 124          | 170,627    |
|  |              | 10,858,674 |
| <b>Paper &amp; Forest Products 1.5%</b>                    |              |            |

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|   |     |           |
|---|-----|-----------|
| Boise Paper Holdings LLC:                                     |     |           |
| 9.00%, 11/01/17   | 45  | 49,838    |
| 8.00%, 4/01/20  | 50  | 55,250    |
| Clearwater Paper Corp.:                                       |     |           |
| 10.63%, 6/15/16   | 160 | 178,800   |
| 7.13%, 11/01/18   | 215 | 234,888   |
| International Paper Co.:                                      |     |           |
| 7.95%, 6/15/18  | 220 | 283,871   |
| 7.30%, 11/15/39   | 5   | 6,638     |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (b) | 120 | 124,200   |
| NewPage Corp., 11.38%, 12/31/14 (a)(f)                        | 845 | 572,487   |
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (b)                 | 50  | 46,250    |
|   |     | 1,552,222 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Pharmaceuticals 1.5%</b>                                   |              |            |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (b)                  | EUR 100      | \$ 140,559 |
| Pharmaceutical Product Development, Inc., 9.50%, 12/01/19 (b) | USD 125      | 139,375    |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (b)     | 470          | 495,850    |
| Wyeth LLC, 6.50%, 2/01/34                                     | 500          | 713,472    |
|   |              | 1,489,256  |
| <b>Professional Services 0.3%</b>                             |              |            |
| FTI Consulting, Inc., 6.75%, 10/01/20                         | 265          | 282,888    |
| <b>Real Estate Investment Trusts (REITs) 0.8%</b>             |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                             | 345          | 370,012    |
| HCP, Inc., 5.38%, 2/01/21                                     | 225          | 257,554    |
| The Rouse Co. LP, 6.75%, 11/09/15                             | 145          | 152,794    |
|   |              | 780,360    |
| <b>Real Estate Management &amp; Development 1.8%</b>          |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20                          | 90           | 98,325     |
| Realogy Corp.:  |              |            |
| 11.50%, 4/15/17   | 110          | 116,875    |
| 12.00%, 4/15/17   | 35           | 36,663     |
| 7.88%, 2/15/19 (b)  | 951          | 979,530    |
| 7.63%, 1/15/20 (b)  | 130          | 141,700    |
| Shea Homes LP, 8.63%, 5/15/19                                 | 445          | 495,062    |
|   |              | 1,868,155  |
| <b>Road &amp; Rail 1.4%</b>                                   |              |            |
| Canadian National Railway Co., 6.90%, 7/15/28                 | 500          | 701,980    |
| The Hertz Corp.:  |              |            |
| 7.50%, 10/15/18   | 285          | 307,444    |
| 7.38%, 1/15/21  | 360          | 391,500    |
|   |              | 1,400,924  |
| <b>Software 1.1%</b>  |              |            |
| Infor US, Inc., 9.38%, 4/01/19 (b)                            | 630          | 681,975    |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)               | 210          | 214,725    |
| Oracle Corp., 5.38%, 7/15/40                                  | 210          | 269,223    |
|   |              | 1,165,923  |
| <b>Specialty Retail 1.5%</b>                                  |              |            |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20                | 130          | 143,650    |
| Claire s Stores, Inc., 9.00%, 3/15/19 (b)                     | 85           | 88,188     |
| House of Fraser Funding Plc:                                  |              |            |
| 8.88%, 8/15/18  | GBP 125      | 176,400    |
| 8.88%, 8/15/18 (b)  | 100          | 141,120    |
| Limited Brands, Inc., 8.50%, 6/15/19                          | USD 320      | 384,000    |
| Phones4u Finance Plc, 9.50%, 4/01/18 (b)                      | GBP 100      | 153,228    |
| QVC, Inc. (b):  |              |            |
| 7.13%, 4/15/17  | USD 80       | 84,618     |
| 7.50%, 10/01/19   | 135          | 149,582    |
| 7.38%, 10/15/20   | 95           | 105,856    |
| Sonic Automotive, Inc., 9.00%, 3/15/18                        | 115          | 125,637    |
|   |              | 1,552,279  |
| <b>Tobacco 0.1%</b>   |              |            |
| Altria Group, Inc., 9.95%, 11/10/38                           | 50           | 85,392     |

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**Wireless Telecommunication Services 6.0%**

|  |     |         |
|--|-----|---------|
| America Movil SAB de CV:                     |     |         |
| 2.38%, 9/08/16                               | 200 | 207,681 |
| 5.00%, 3/30/20                               | 400 | 464,893 |
| American Tower Corp.:                        |     |         |
| 4.50%, 1/15/18                               | 375 | 410,295 |
| 4.70%, 3/15/22                               | 380 | 411,156 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 480 | 506,400 |
| Crown Castle Towers LLC, 6.11%, 1/15/20 (b)  | 375 | 443,509 |

**Corporate Bonds**

**Wireless Telecommunication Services (concluded)**

|                                       | Par<br>(000) | Value              |
|---------------------------------------|--------------|--------------------|
| Digicel Group Ltd. (b):               |              |                    |
| 9.13%, 1/15/15                        | USD 439      | \$ 443,390         |
| 8.25%, 9/01/17                        | 365          | 386,900            |
| 10.50%, 4/15/18                       | 90           | 97,200             |
| SBA Tower Trust, 4.25%, 4/15/40 (b)   | 325          | 342,614            |
| Sprint Capital Corp., 6.88%, 11/15/28 | 830          | 751,150            |
| Sprint Nextel Corp. (b):              |              |                    |
| 9.00%, 11/15/18                       | 880          | 1,038,400          |
| 7.00%, 3/01/20                        | 560          | 613,200            |
|                                       |              | 6,116,788          |
| <b>Total Corporate Bonds 99.9%</b>    |              | <b>101,578,311</b> |

**Floating Rate Loan Interests (g)**

**Airlines 0.2%**

|  |     |         |
|--|-----|---------|
| Delta Air Lines, Inc., Term Loan B, 5.50%, 4/20/17 | 163 | 163,947 |
|--|-----|---------|

**Auto Components 0.1%**

|   |     |         |
|---|-----|---------|
| Schaeffler AG, Term Loan C2, 6.00%, 1/27/17 | 145 | 145,423 |
|---|-----|---------|

**Building Products 0.2%**

|  |     |         |
|--|-----|---------|
| Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17 | 191 | 193,416 |
|--|-----|---------|

**Capital Markets 0.3%**

|  |     |         |
|--|-----|---------|
| American Capital Holdings, Term Loan, 5.50%, 7/19/16 | 298 | 299,118 |
|--|-----|---------|

**Chemicals 0.5%**

|   |    |        |
|---|----|--------|
| Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19 | 60 | 60,563 |
|---|----|--------|

|  |     |         |
|--|-----|---------|
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18 | 419 | 419,561 |
|--|-----|---------|

|  |  |         |
|--|--|---------|
|  |  | 480,124 |
|--|--|---------|

**Commercial Services & Supplies 0.7%**

|   |     |         |
|---|-----|---------|
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16 | 145 | 144,766 |
|---|-----|---------|

|  |     |         |
|--|-----|---------|
| Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16 | 225 | 227,250 |
|--|-----|---------|

|  |     |         |
|--|-----|---------|
| Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16 | 354 | 353,700 |
|--|-----|---------|

|  |  |         |
|--|--|---------|
|  |  | 725,716 |
|--|--|---------|

**Communications Equipment 0.8%**

|  |     |         |
|--|-----|---------|
| Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19 | 755 | 766,091 |
|--|-----|---------|

**Construction & Engineering 0.7%**

|   |     |         |
|---|-----|---------|
| Safway Services LLC, Mezzanine Loan, 15.63%, 12/16/17 | 750 | 750,000 |
|---|-----|---------|

**Construction Materials 0.4%**

|   |     |         |
|---|-----|---------|
| HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17 | 410 | 418,885 |
|---|-----|---------|

**Consumer Finance 1.7%**

|  |       |           |
|--|-------|-----------|
| Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17 | 1,750 | 1,690,063 |
|--|-------|-----------|

**Diversified Consumer Services 0.5%**

|  |     |         |
|--|-----|---------|
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18 | 488 | 475,578 |
|--|-----|---------|

|                    |  |  |
|--------------------|--|--|
| ServiceMaster Co.: |  |  |
|--------------------|--|--|

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|  |     |         |
|--|-----|---------|
| Delayed Draw Term Loan, 2.74%, 7/24/14     | 3   | 3,104   |
| Term Loan, 2.75% - 2.97%, 7/24/14          | 31  | 31,172  |
|  |     | 509,854 |
| <b>Diversified Financial Services 0.5%</b> |     |         |
| Residential Capital LLC:                   |     |         |
| DIP Term Loan A1, 5.00%, 11/18/13          | 455 | 456,137 |
| DIP Term Loan A2, 6.75%, 11/18/13          | 65  | 65,759  |
|  |     | 521,896 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Floating Rate Loan Interests (g)</b>                              |              |            |
| <b>Diversified Telecommunication Services 0.6%</b>                   |              |            |
| Level 3 Financing, Inc.:   |              |            |
| 2016 Term Loan B, 4.75%, 2/01/16                                     | USD 135      | \$ 135,270 |
| 2019 Term Loan B, 5.25%, 8/01/19                                     | 110          | 110,161    |
| Term Loan B3, 5.75%, 8/31/18   | 350          | 350,924    |
|  |              | 596,355    |
| <b>Energy Equipment &amp; Services 2.0%</b>                          |              |            |
| Dynergy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16   |              |            |
|  | 701          | 727,521    |
| Dynergy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16                 |              |            |
|  | 1,284        | 1,343,694  |
|  |              | 2,071,215  |
| <b>Food Products 0.3%</b>  |              |            |
| Advance Pierre Foods, Inc., Term Loan (Second Lien), 11.25%, 9/29/17 |              |            |
|  | 300          | 301,800    |
| <b>Health Care Equipment &amp; Supplies 0.5%</b>                     |              |            |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19                     |              |            |
|  | 135          | 135,450    |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19                     |              |            |
|  | 279          | 280,347    |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18                  |              |            |
|  | 105          | 105,787    |
|  |              | 521,584    |
| <b>Health Care Providers &amp; Services 0.5%</b>                     |              |            |
| Harden Healthcare LLC:   |              |            |
| Add on Term Loan A, 7.75%, 3/02/15                                   | 148          | 143,051    |
| Term Loan A, 8.50%, 3/02/15  | 147          | 144,003    |
| inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16            |              |            |
|  | 200          | 185,701    |
|  |              | 472,755    |
| <b>Hotels, Restaurants &amp; Leisure 1.1%</b>                        |              |            |
| Caesars Entertainment Operating Co., Inc.:                           |              |            |
| Extended Term Loan B6, 5.49%, 1/26/18                                | 75           | 65,930     |
| Incremental Term Loan B4, 9.50%, 10/31/16                            | 80           | 81,161     |
| Term Loan B1, 3.24%, 1/28/15   | 144          | 136,477    |
| Term Loan B2, 3.24%, 1/28/15   | 159          | 151,101    |
| Term Loan B3, 3.24% 3.46%, 1/28/15                                   | 349          | 330,496    |
| OSI Restaurant Partners LLC:   |              |            |
| Revolver, 2.49% 2.56%, 6/14/13                                       | 4            | 3,563      |
| Term Loan B, 2.56%, 6/14/14  | 36           | 35,914     |
| Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16                  |              |            |
|  | 310          | 294,518    |
|  |              | 1,099,160  |
| <b>Industrial Conglomerates 0.1%</b>                                 |              |            |
| Sequa Corp., Incremental Term Loan, 6.25%, 12/03/14                  |              |            |
|  | 64           | 64,599     |
| <b>IT Services 0.3%</b>  |              |            |
| First Data Corp., Extended 2018 Term Loan B, 4.24%, 3/23/18          |              |            |
|  | 285          | 269,088    |
| <b>Leisure Equipment &amp; Products 0.2%</b>                         |              |            |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13                   |              |            |
|  | 240          | 237,827    |
| <b>Machinery 0.5%</b>  |              |            |
|  | 240          | 241,582    |

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|  |     |         |
|--|-----|---------|
| Navistar International Corp., Term Loan B, 7.00%,<br>8/17/17 |     |         |
| Rexnord Corp., Term Loan B, 5.00%, 4/02/18                   | 214 | 214,766 |
|  |     | 456,348 |

|  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Floating Rate Loan Interests (g)</b>                                    |              |           |
| <b>Media 4.1%</b>  |              |           |
| Affinion Group, Inc., Term Loan B, 5.00%, 7/15/15                          | USD 20       | \$ 16,835 |
| Cengage Learning Acquisitions, Inc.:                                       |              |           |
| Non-Extended Term Loan, 2.49%, 7/03/14                                     | 40           | 36,633    |
| Tranche 1 Incremental, 7.50%, 7/03/14                                      | 480          | 462,000   |
| Clear Channel Communications, Inc.:  |              |           |
| Term Loan B, 3.88%, 1/28/16  | 541          | 419,253   |
| Term Loan C, 3.88%, 1/28/16  | 54           | 41,178    |
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18                  | 105          | 105,709   |
| Intelsat Jackson Holdings SA, Tranche B Term Loan,<br>5.25%, 4/02/18       | 2,379        | 2,386,709 |
| Interactive Data Corp., Term Loan B, 4.50%,<br>2/12/18                     | 150          | 149,840   |
| Newsday LLC, Fixed Rate Term Loan, 10.50%,<br>8/01/13                      | 550          | 552,981   |
|  |              | 4,171,138 |
| <b>Metals &amp; Mining 0.1%</b>  |              |           |
| Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18                         | 150          | 147,000   |
| <b>Oil, Gas &amp; Consumable Fuels 0.5%</b>                                |              |           |
| Chesapeake Energy Corp., Unsecured Term Loan,<br>8.50%, 12/01/17           | 120          | 120,258   |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15                  | 374          | 373,794   |
|  |              | 494,052   |
| <b>Paper &amp; Forest Products 0.2%</b>                                    |              |           |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13                               | 250          | 252,345   |
| <b>Pharmaceuticals 0.1%</b>  |              |           |
| Pharmaceutical Product Development, Inc.,<br>Term Loan B, 6.25%, 12/05/18  | 109          | 110,570   |
| <b>Professional Services 0.1%</b>  |              |           |
| Truven Health Analytics, Term Loan B, 6.75%,<br>6/06/19                    | 135          | 135,956   |
| <b>Real Estate Investment Trusts (REITs) 0.3%</b>                          |              |           |
| iStar Financial, Inc., Term Loan A1, 5.00%, 6/28/13                        | 289          | 289,679   |
| <b>Real Estate Management &amp; Development 0.5%</b>                       |              |           |
| Realogy Corp.:   |              |           |
| Extended Letter of Credit Loan, 4.50%,<br>10/10/16                         | 60           | 58,017    |
| Extended Term Loan, 4.49%, 10/10/16  | 426          | 411,008   |
| Stockbridge SBE Holdings LLC, Term Loan B, 13.00%,<br>5/02/17              | 65           | 64,675    |
|  |              | 533,700   |
| <b>Software 0.4%</b>   |              |           |
| Infor US, Inc. (FKA Lawson Software, Inc.),<br>Term Loan B, 6.25%, 4/05/18 | 444          | 448,451   |
| <b>Specialty Retail 0.1%</b>   |              |           |
| Claire's Stores, Inc., Term Loan B, 2.98% 3.20%,<br>5/29/14                | 142          | 139,792   |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                           |              |           |
| Ascend Performance Materials LLC, Term Loan B,<br>6.75%, 4/10/18           | 404          | 400,283   |
| <b>Wireless Telecommunication Services 1.3%</b>                            |              |           |
| Crown Castle International Corp., Term Loan B,<br>4.00%, 1/31/19           | 20           | 19,738    |

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Vodafone Americas Finance 2, Inc. (c):

|   |     |            |
|---|-----|------------|
| Term Loan, 6.88%, 8/11/15                       | 831 | 863,872    |
| Term Loan B, 6.25%, 7/11/16                     | 413 | 420,750    |
|   |     | 1,304,360  |
| <b>Total Floating Rate Loan Interests</b> 20.8% |     | 21,182,590 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|   | Par<br>(000)                             | Value            |
|---|--|------------------|
| <b>Foreign Agency Obligations 0.2%</b>  |  |                  |
| Qatar Government International Bond, 4.00%,<br>1/20/15 (b)                                    | USD 200                                  | \$ 211,500       |
| <b>Other Interests 0.0% (h)</b>   | <b>Beneficial<br/>Interest<br/>(000)</b> |                  |
| Adelphia Communications Corp., Class A  | 400                                      | 3,200            |
| <b>Preferred Securities</b>   |  |                  |
| <b>Capital Trusts</b>   | <b>Par<br/>(000)</b>                     |                  |
| <b>Capital Markets 0.1%</b>   |  |                  |
| State Street Capital Trust IV, 1.39%, 6/01/67 (g)   | 200                                      | 142,865          |
| <b>Insurance 0.5%</b>   |  |                  |
| Genworth Financial, Inc., 6.15%, 11/15/66 (g)   | 305                                      | 183,000          |
| XL Group Plc, Series E, 6.50% (g)(i)  | 338                                      | 308,003          |
|   |  | 491,003          |
| <b>Total Capital Trusts 0.6%</b>  |  | <b>633,868</b>   |
| <b>Preferred Stocks</b>   |  |                  |
| <b>Diversified Financial Services 0.9%</b>  |  |                  |
| Ally Financial, Inc., 7.00% (b)   | 1,030                                    | 937,912          |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>   |  |                  |
| MPG Office Trust, Inc., Series A, 7.63% (a)   | 3,277                                    | 75,305           |
| <b>Total Preferred Stocks 1.0%</b>  |  | <b>1,013,217</b> |
| <b>Trust Preferreds 0.2%</b>  |  |                  |
| <b>Diversified Financial Services 0.2%</b>  |  |                  |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (g)  | 6,840                                    | 169,036          |
| <b>Total Preferred Securities 1.8%</b>  |  | <b>1,816,121</b> |
| <b>Taxable Municipal Bonds 0.4%</b>   |  |                  |
| Metropolitan Transportation Authority, RB,<br>Build America Bonds, Series TR, 6.81%, 11/15/40 | 300                                      | 408,474          |
| <b>US Government Sponsored Agency<br/>Securities 0.2%</b>                                     |  |                  |
| <b>Collateralized Mortgage Obligations 0.2%</b>   |  |                  |
| Ginnie Mae Mortgage-Backed Securities,<br>Series 2006-68, Class B, 5.16%, 6/16/31 (g)         | 236                                      | 240,216          |
| <b>US Treasury Obligations</b>  | <b>Par<br/>(000)</b>                     | <b>Value</b>     |
| US Treasury Bonds, 3.00%, 5/15/42   | USD 700                                  | \$ 747,578       |
| US Treasury Notes:  |  |                  |
| 2.00%, 2/15/22  | 70                                       | 73,216           |
| 1.75%, 5/15/22  | 200                                      | 204,062          |

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|  |               |     |                                      |             |
|--|---------------|-----|--------------------------------------|-------------|
| <b>Total US Treasury Obligations</b>   | <b>1.0%</b>   |     |                                      | 1,024,856   |
| <b>Warrants (j)</b>  |               |     |                                      |             |
| <b>Software</b>  | <b>0.0%</b>   |     | <b>Shares</b>                        |             |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/28/17)   |               |     |                                      | 56          |
| <b>Total Warrants</b>  | <b>0.0%</b>   |     |                                      |             |
| <b>Total Long-Term Investments</b>   |               |     |                                      | 128,160,786 |
| <b>(Cost \$120,547,836)</b>  | <b>126.0%</b> |     |                                      |             |
| <b>Options Purchased</b>   |               |     |                                      |             |
| <b>Over-the-Counter Call Options</b>   | <b>0.0%</b>   |     | <b>Contracts</b>                     |             |
| Marsico Parent Superholdco LLC, Strike Price<br>USD 942.86, Expires 12/14/19,<br>Broker Goldman Sachs Group, Inc.                    |               |     |                                      | 6           |
|  |               |     | <b>Notional<br/>Amount<br/>(000)</b> |             |
| <b>Over-the-Counter Interest Rate Call</b>   |               |     |                                      |             |
| <b>Swaptions</b>   | <b>0.1%</b>   |     |                                      |             |
| Receive a fixed rate of 2.36% and pay a floating<br>rate based on 3-month LIBOR, Expires 10/17/12,<br>Broker Barclays Plc            |               | USD | 100                                  | 1,503       |
| Receive a fixed rate of 2.40% and pay a floating<br>rate based on 3-month LIBOR, Expires 11/20/12,<br>Broker Citigroup, Inc.         |               |     | 1,100                                | 28,202      |
| Receive a fixed rate of 0.71% and pay a floating<br>rate based on 3-month LIBOR, Expires 7/01/13,<br>Broker Credit Suisse Group AG   |               |     | 4,525                                | 26,998      |
| Receive a fixed rate of 1.16% and pay a floating<br>rate based on 3-month LIBOR, Expires 7/11/13,<br>Broker Citigroup, Inc.          |               |     | 1,700                                | 23,806      |
|  |               |     |                                      | 80,509      |
| <b>Over-the-Counter Interest Rate Put</b>  |               |     |                                      |             |
| <b>Swaptions</b>   | <b>0.0%</b>   |     |                                      |             |
| Pay a fixed rate of 2.80% and receive a floating<br>rate based on 3-month LIBOR, Expires 10/17/12,<br>Broker Barclays Plc            |               |     | 100                                  | 620         |
| Pay a fixed rate of 0.71% and receive a floating<br>rate based on 3-month LIBOR, Expires 7/01/13,<br>Broker Credit Suisse Group AG   |               |     | 4,525                                | 6,144       |
| Pay a fixed rate of 1.16% and receive a floating<br>rate based on 3-month LIBOR, Expires 7/11/13,<br>Broker Citigroup, Inc.          |               |     | 1,700                                | 15,158      |
| Pay a fixed rate of 4.50% and receive a floating<br>rate based on 6-month EURIBOR, Expires<br>9/16/13, Broker Credit Suisse Group AG |               | EUR | 600                                  | 1,625       |
| Pay a fixed rate of 4.50% and receive a floating<br>rate based on 3-month LIBOR, Expires 2/02/17,<br>Broker Deutsche Bank AG         |               | USD | 1,000                                | 25,174      |
|  |               |     |                                      | 48,721      |
| <b>Total Options Purchased (Cost \$150,733)</b>  | <b>0.1%</b>   |     |                                      | 129,230     |
| <b>Total Investments Before Options Written</b>  |               |     |                                      | 128,290,016 |
| <b>(Cost \$120,698,569)</b>  | <b>126.1%</b> |     |                                      |             |

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

|  | Notional<br>Amount<br>(000) | Value                |
|--|-----------------------------|----------------------|
| <b>Options Written</b>   |                             |                      |
| <b>Over-the-Counter Interest Rate Call</b>   |                             |                      |
| <b>Swaptions (0.0)%</b>  |                             |                      |
| Pay a fixed rate of 1.40% and receive a floating rate based on 3-month LIBOR, Expires 5/08/14, Broker Citigroup, Inc.        | USD 600                     | \$ (10,670)          |
| Pay a fixed rate of 1.00% and receive a floating rate based on 3-month LIBOR, Expires 7/11/14, Broker Credit Suisse Group AG | 1,700                       | (12,962)<br>(23,632) |
| <b>Over-the-Counter Interest Rate Put</b>  |                             |                      |
| <b>Swaptions (0.1)%</b>  |                             |                      |
| Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, Expires 5/08/14, Broker Citigroup, Inc.        | 600                         | (3,690)              |
| Receive a fixed rate of 2.00% and pay a floating rate based on 3-month LIBOR, Expires 7/11/14, Broker Credit Suisse Group AG | 1,700                       | (18,936)             |
| Receive a fixed rate of 6.00% and pay a floating rate based on 3-month LIBOR, Expires 2/02/17, Broker Deutsche Bank AG       | 2,000                       | (24,372)<br>(46,998) |
| <b>Total Options Written</b>   |                             |                      |
| <b>(Premiums Received \$87,070) (0.1)%</b>   |                             | (70,630)             |
| <b>Total Investments, Net of Options Written 126.0%</b>  |                             | 128,219,386          |
| <b>Liabilities in Excess of Other Assets (26.0)%</b>   |                             | (26,494,899)         |
| <b>Net Assets 100.0%</b>   |                             | \$ 101,724,487       |

- (a) Non-income producing security.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (e) Convertible security.
- (f) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (g) Variable rate security. Rate shown is as of report date.
- (h) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (i) Security is perpetual in nature and has no stated maturity date.
- (j) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

| Affiliate   | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>August 31,<br>2012 | Income |
|---|--------------------------------------|-----------------|--------------------------------------|--------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class | 891,719                              | (891,719)       |                                      | \$ 612 |

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

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

| Contracts    | Issue                          | Exchange                  | Expiration       | Notional<br>Value |            | Unrealized<br>Appreciation |
|--------------|--------------------------------|---------------------------|------------------|-------------------|------------|----------------------------|
| 66           | 2-Year US<br>Treasury Note     | Chicago<br>Board of Trade | December<br>2012 | USD               | 14,558,156 | \$ 13,633                  |
| 29           | 5-Year US<br>Treasury Note     | Chicago<br>Board of Trade | December<br>2012 | USD               | 3,615,258  | 18,563                     |
| 8            | Ultra Long US<br>Treasury Bond | Chicago<br>Board of Trade | December<br>2012 | USD               | 1,352,000  | 15,172                     |
| <b>Total</b> |                                |                           |                  |                   |            | \$ 47,368                  |

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

| Contracts    | Issue                       | Exchange                  | Expiration    | Notional<br>Value |           | Unrealized<br>Depreciation |
|--------------|-----------------------------|---------------------------|---------------|-------------------|-----------|----------------------------|
| 29           | 10-Year US<br>Treasury Note | Chicago<br>Board of Trade | December 2012 | USD               | 3,877,844 | \$ (30,343)                |
| 30           | 30-Year US<br>Treasury Bond | Chicago<br>Board of Trade | December 2012 | USD               | 4,542,187 | (49,788)                   |
| <b>Total</b> |                             |                           |               |                   |           | \$ (80,131)                |

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

| Currency<br>Purchased |           |     | Currency<br>Sold | Counterparty    | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|-----------|-----|------------------|-----------------|--------------------|--|
| USD                   | 1,294,697 | GBP | 834,000          | UBS AG          | 10/17/12           | \$ (29,376)                                  |
| USD                   | 117,809   | GBP | 75,000           | UBS AG          | 10/17/12           | (1,262)                                      |
| EUR                   | 165,000   | USD | 204,471          | Citigroup, Inc. | 10/22/12           | 3,173  |
| EUR                   | 169,000   | USD | 206,923          | Citigroup, Inc. | 10/22/12           | 5,755  |
| EUR                   | 123,000   | USD | 151,958          | UBS AG          | 10/22/12           | 2,831  |
| USD                   | 155,305   | EUR | 125,000          | Citigroup, Inc. | 10/22/12           | (2,001)                                      |
| USD                   | 5,303,064 | EUR | 4,320,000        | UBS AG          | 10/22/12           | (133,434)                                    |
| USD                   | 246,900   | EUR | 200,000          | UBS AG          | 10/22/12           | (4,790)                                      |
| USD                   | 154,428   | EUR | 125,000          | UBS AG          | 10/22/12           | (2,878)                                      |
| USD                   | 31,960    | EUR | 26,000           | UBS AG          | 10/22/12           | (760)  |
| <b>Total</b>          |           |     |                  |                 |                    | \$ (162,742)                                 |

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

| Issuer                    | Pay<br>Fixed<br>Rate | Counterparty        | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------|----------------------|---------------------|--------------------|-----------------------------|--|
| Republic of<br>Hungary    | 1.00%                | Deutsche<br>Bank AG | 12/20/15           | USD 110                     | \$ 2,001                                     |
| The New York<br>Times Co. | 1.00%                | Barclays Plc        | 12/20/16           | USD 500                     | (1,467)                                      |
| <b>Total</b>              |                      |                     |                    |                             | <b>\$ 534</b>                                |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)

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

| Issuer        | Receive Fixed Rate | Counterparty         | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|---------------|--------------------|----------------------|-----------------|-----------------------------------|------------------------------------|-------------------------|
| MetLife, Inc. | 5.00%              | Deutsche Bank AG     | 6/20/15         | A                                 | USD 150                            | \$ 7,535                |
| MetLife, Inc. | 1.00%              | UBS AG               | 9/20/15         | A                                 | USD 175                            | 3,686                   |
| ARAMARK Corp. | 5.00%              | Goldman Sachs & Co.  | 6/20/16         | B                                 | USD 150                            | 12,669                  |
| ARAMARK Corp. | 5.00%              | Goldman Sachs & Co.  | 6/20/16         | B                                 | USD 150                            | 13,500                  |
| ARAMARK Corp. | 5.00%              | JPMorgan Chase & Co. | 6/20/16         | B                                 | USD 50                             | 4,391                   |
| ARAMARK Corp. | 5.00%              | JPMorgan Chase & Co. | 6/20/16         | B                                 | USD 100                            | 8,782                   |
| ARAMARK Corp. | 5.00%              | Goldman Sachs & Co.  | 9/20/16         | B                                 | USD 150                            | 13,143                  |
| <b>Total</b>  |                    |                      |                 |                                   |                                    | \$ 63,706               |

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

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

Interest rate swaps outstanding as of August 31, 2012 were as follows:

| Fixed Rate         | Floating Rate | Counterparty/Exchange     | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|---------------------------|-----------------|-----------------------|--|
| 0.44% <sup>3</sup> | 3-month LIBOR | Chicago Mercantile        | 8/29/14         | USD 2,900             | \$ (2,261)                             |
| 0.44% <sup>3</sup> | 3-month LIBOR | Chicago Mercantile        | 8/30/14         | USD 2,900             | (2,187)                                |
| 2.48% <sup>3</sup> | 3-month LIBOR | Credit Suisse Group AG    | 7/05/42         | USD 500               | (469)                                  |
| 2.26% <sup>3</sup> | 3-month LIBOR | Goldman Sachs Group, Inc. | 7/26/42         | USD 200               | 9,689                                  |
| 2.46% <sup>3</sup> | 3-month LIBOR | Deutsche Bank AG          | 8/07/42         | USD 500               | 1,532                                  |
| 2.51% <sup>3</sup> | 3-month LIBOR | Credit Suisse Group AG    | 8/10/42         | USD 300               | (1,760)                                |
| 2.71% <sup>3</sup> | 3-month LIBOR | Credit Suisse Group AG    | 8/21/42         | USD 100               | (4,952)                                |
| 2.69% <sup>3</sup> | 3-month LIBOR | Citigroup, Inc.           | 8/22/42         | USD 100               | (4,623)                                |
| <b>Total</b>       |               |                           |                 |                       | \$ (5,031)                             |

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<sup>3</sup> Trust pays the fixed rate and receives the floating rate.

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

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

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

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

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

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

|   | Level 1             | Level 2               | Level 3             | Total                 |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                            |                     |                       |                     |                       |
| Investments:                              |                     |                       |                     |                       |
| Long-Term Investments:                    |                     |                       |                     |                       |
| Common Stocks                             | \$ 1,695,517        |                       | \$ 1                | \$ 1,695,518          |
| Corporate Bonds                           |                     | \$ 101,578,311        |                     | 101,578,311           |
| Floating Rate Loan Interests              |                     | 16,969,977            | 4,212,613           | 21,182,590            |
| Foreign Agency Obligations                |                     | 211,500               |                     | 211,500               |
| Other Interest                            |                     | 3,200                 |                     | 3,200                 |
| Preferred Securities                      | 244,341             | 1,571,780             |                     | 1,816,121             |
| Taxable Municipal Bonds                   |                     | 408,474               |                     | 408,474               |
| US Government Sponsored Agency Securities |                     | 240,216               |                     | 240,216               |
| US Treasury Obligations                   |                     | 1,024,856             |                     | 1,024,856             |
| <b>Total</b>                              | <b>\$ 1,939,858</b> | <b>\$ 122,008,314</b> | <b>\$ 4,212,614</b> | <b>\$ 128,160,786</b> |

|   | Level 1   | Level 2   | Level 3 | Total     |
|---|-----------|-----------|---------|-----------|
| <b>Derivative Financial Instruments<sup>4</sup></b> |           |           |         |           |
| <b>Assets:</b>                                      |           |           |         |           |
| Credit contracts                                    |           | \$ 65,707 |         | \$ 65,707 |
| Foreign currency exchange contracts.                |           | 11,759    |         | 11,759    |
| Interest rate contracts                             | \$ 47,368 | 140,451   |         | 187,819   |



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**Liabilities:**

|                                     |             |             |    |           |
|-------------------------------------|-------------|-------------|----|-----------|
| Credit contracts                    |             | (1,467)     |    | (1,467)   |
| Foreign currency exchange contracts |             | (174,501)   |    | (174,501) |
| Interest rate contracts             | (80,131)    | (86,882)    |    | (167,013) |
| <b>Total</b>                        | \$ (32,763) | \$ (44,933) | \$ | (77,696)  |

<sup>4</sup> Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options. Swaps, financial futures contracts and foreign currency exchange contracts are valued at the unrealized appreciation/ depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Strategic Bond Trust (BHD)**

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1      | Level 2         | Level 3 | Total           |
|--|--------------|-----------------|---------|-----------------|
| <b>Assets:</b>   |              |                 |         |                 |
| Foreign currency at value                                  | \$ 323,966   |                 |         | \$ 323,966      |
| Cash   | 1,569,975    |                 |         | 1,569,975       |
| Cash pledged as collateral for financial futures contracts | 98,660       |                 |         | 98,660          |
| Cash pledged as collateral for swaps                       | 30,000       |                 |         | 30,000          |
| <b>Liabilities:</b>  |              |                 |         |                 |
| Loan payable   |              | \$ (30,000,000) |         | (30,000,000)    |
| <b>Total</b>   | \$ 2,022,601 | \$ (30,000,000) |         | \$ (27,977,399) |

Prior to February 29, 2012, only significant transfers between Level 1 and Level 2 were required to be disclosed. There were no significant transfers from the beginning of the period to February 29, 2012. For the interim period March 1, 2012 through August 31, 2012, all transfers between Level 1 and Level 2 are required to be disclosed. As of February 29, 2012, the Trust used observable inputs in determining the value of certain equity securities. During the year, the Trust began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$1,892,938 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

|                              | Value        | Valuation Techniques             | Unobservable Inputs <sup>1</sup> | Range of Unobservable Inputs | Weighted Average Inputs <sup>2</sup> |
|------------------------------|--------------|----------------------------------|----------------------------------|------------------------------|--------------------------------------|
| <b>Assets:</b>               |              |                                  |                                  |                              |                                      |
| Floating Rate Loan Interests | \$ 1,037,054 | Market Comparable Companies Cost | Yield<br>N/A <sup>3</sup>        | 9.65%                        | 9.65%                                |
| <b>Total<sup>4</sup></b>     | \$ 1,037,054 |                                  |                                  |                              |                                      |

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

| Unobservable Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------|------------------------------------|------------------------------------|
| Yield              | Decrease                           | Increase                           |

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

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

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

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Level 3 investments.

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## Schedule of Investments (concluded)

## BlackRock Strategic Bond Trust (BHD)

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

|   | Common<br>Stocks | Corporate<br>Bonds | Floating Rate<br>Loans | Other<br>Interests | Preferred<br>Securities | Warrants  | Total               |
|---|------------------|--------------------|------------------------|--------------------|-------------------------|-----------|---------------------|
| <b>Assets:</b>  |                  |                    |                        |                    |                         |           |                     |
| Opening balance, as of August 31, 2011                          |                  | \$ 38,005          | \$ 3,592,743           | \$ 95              | \$ 79,288               | \$ 60,209 | \$ 3,770,340        |
| Transfers into Level 3 <sup>1</sup>                             | \$ 1             |                    | 341,818                |                    |                         |           | 341,819             |
| Transfers out of Level 3 <sup>2</sup>                           |                  |                    | (567,875)              |                    |                         |           | (567,875)           |
| Accrued discounts/premiums                                      |                  | 156                | 10,379                 |                    |                         |           | 10,535              |
| Net realized gain   |                  | 13,618             | 11,300                 | 182                | 93,280                  |           | 118,380             |
| Net change in unrealized appreciation/depreciation <sup>3</sup> |                  | (11,779)           | 79,045                 | (95)               | (79,288)                | (60,209)  | (72,326)            |
| Purchases   |                  |                    | 1,226,866              |                    |                         |           | 1,226,866           |
| Sales   |                  | (40,000)           | (481,663)              | (182)              | (93,280)                |           | (615,125)           |
| <b>Closing Balance, as of August 31, 2012</b>                   | <b>\$ 1</b>      |                    | <b>\$ 4,212,613</b>    |                    |                         |           | <b>\$ 4,212,614</b> |

<sup>1</sup> As of August 31, 2011, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$341,819 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of August 31, 2011, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Trust used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$567,875 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$79,039.

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

|   | Credit<br>Contracts |
|---|---------------------|
| <b>Liabilities:</b>   |                     |
| Opening balance, as of August 31, 2011                          | \$ (307)            |
| Transfers into Level 3 <sup>4</sup>                             |                     |
| Transfers out of Level 3 <sup>4</sup>                           |                     |
| Accrued discounts/premiums                                      |                     |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>5</sup> | 307                 |
| Purchases   |                     |
| Issues <sup>6</sup>   |                     |
| Sales   |                     |
| Settlements <sup>7</sup>  |                     |
| <b>Closing Balance, as of August 31, 2012</b>                   |                     |

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

<sup>5</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$0.

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

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

See Notes to Financial Statements.

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## Statements of Assets and Liabilities

|  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV)* | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT)* | BlackRock<br>High Income<br>Shares<br>(HIS) |
|--|--|--|---|---|
| <b>August 31, 2012</b>   |  |  |   |   |
| <b>Assets</b>  |  |  |   |   |
| Investments at value unaffiliated                              | \$ 613,875,621                           | \$ 584,232,874   | \$ 608,749,814  | \$ 163,218,554                              |
| Investments at value affiliated                                | 534,025                                  |  |   |   |
| Foreign currency at value <sup>3</sup>                         | 1,439,246                                | 285,748  | 550,512   | 40,712                                      |
| Cash   | 340,000                                  | 1,539,537  | 1,867,598   | 1,172,455                                   |
| Cash pledged as collateral for financial futures contracts     | 459,000                                  | 731,000  | 765,000   | 208,000                                     |
| Cash pledged as collateral for reverse repurchase agreements   | 1,643,000                                |  |   |   |
| Cash pledged as collateral for swaps                           | 7,390,000                                | 400,000  | 400,000   |   |
| Investments sold receivable                                    | 314,519                                  | 1,558,106  | 1,481,013   | 172,293                                     |
| Interest receivable  | 6,028,570                                | 8,832,788  | 9,283,824   | 2,553,640                                   |
| Unrealized appreciation on swaps                               | 1,427,167                                | 1,271,142  | 1,310,916   |   |
| Swaps receivable   | 181,272                                  | 188,897  | 193,367   |   |
| Swap premiums paid   | 372,072                                  | 380,380  | 389,874   |   |
| Unrealized appreciation on foreign currency exchange contracts | 17,221                                   | 44,136   | 56,409  | 5,847                                       |
| Options written receivable                                     | 44,800                                   |  |   |   |
| Dividends receivable   |  | 8,034  | 2,907   |   |
| Variation margin receivable                                    | 10,830                                   |  |   |   |
| Prepaid expenses   | 2,203                                    | 6,691  | 7,376   | 3,314                                       |
| Total assets   | 634,079,546                              | 599,479,333  | 625,058,610   | 167,374,815                                 |
| <b>Liabilities</b>   |  |  |   |   |
| Reverse repurchase agreements                                  | 182,678,820                              |  |   |   |
| Loan payable   |  | 175,000,000  | 181,000,000   | 42,000,000                                  |
| Cash received as collateral for swaps                          | 1,200,000                                | 600,000  | 600,000   |   |
| Cash received as collateral for reverse repurchase agreements  | 590,475                                  |  |   |   |
| Investments purchased payable                                  | 26,166,838                               | 4,563,945  | 4,763,688   | 1,230,320                                   |
| Options written at value <sup>4</sup>                          | 8,683,021                                |  |   |   |
| Unrealized depreciation on swaps                               | 1,866,252                                | 93,281   | 97,701  |   |
| Unrealized depreciation on foreign currency exchange contracts | 354,755                                  | 1,091,099  | 1,148,537   | 145,138                                     |
| Swap premiums received   | 359,367                                  | 531,355  | 561,438   |   |
| Swaps payable  | 257,298                                  | 81,834   | 87,264  |   |
| Investment advisory fees payable                               | 260,263                                  | 295,294  | 358,885   | 103,299                                     |
| Variation margin payable                                       |  | 69,600   | 72,800  | 21,600                                      |
| Interest expense payable                                       | 55,630                                   | 55,861   | 59,740  | 8,087                                       |
| Officers and Trustees fees payable                             | 45,304                                   | 90,922   | 93,042  | 10,956                                      |
| Other liabilities  | 240,760                                  |  |   |   |
| Other accrued expenses payable                                 | 184,920                                  | 305,125  | 260,492   | 110,058                                     |
| Total liabilities  | 222,943,703                              | 182,778,316  | 189,103,587   | 43,629,458                                  |
| <b>Net Assets</b>  | \$ 411,135,843                           | \$ 416,701,017   | \$ 435,955,023  | \$ 123,745,357                              |
| <sup>1</sup> Investments at cost unaffiliated                  | \$ 574,106,023                           | \$ 569,171,553   | \$ 594,142,867  | \$ 160,473,519                              |
| <sup>2</sup> Investments at cost affiliated                    | \$ 534,025                               |  |   |   |
| <sup>3</sup> Foreign currency at cost                          | \$ 1,416,037                             | \$ 285,309   | \$ 549,656  | \$ 40,113                                   |
| <sup>4</sup> Premiums received                                 | \$ 8,732,899                             |  |   |   |

\* Consolidated Statement of Assets and Liabilities.

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## Statements of Assets and Liabilities (concluded)

| August 31, 2012                          | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV)* | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT)* | BlackRock<br>High Income<br>Shares<br>(HIS) |
|--|--|--|---|---|
| <b>Net Assets Consist of</b>             |  |  |   |   |
| Paid-in capital <sup>5,6,7</sup>         | \$ 378,738,969                           | \$ 470,538,334   | \$ 506,124,330  | \$ 158,451,460                              |
| Undistributed net investment income      | 7,384,327                                | 7,780,357  | 8,725,988   | 2,289,115                                   |
| Accumulated net realized loss            | (13,829,793)                             | (75,970,806)   | (92,746,584)  | (39,341,657)                                |
| Net unrealized appreciation/depreciation | 38,842,340                               | 14,353,132   | 13,851,289  | 2,346,439                                   |
| <b>Net Assets</b>                        | <b>\$ 411,135,843</b>                    | <b>\$ 416,701,017</b>  | <b>\$ 435,955,023</b>   | <b>\$ 123,745,357</b>                       |
| Net asset value per share                | \$ 15.21                                 | \$ 12.63   | \$ 12.32  | \$ 2.26                                     |
| <sup>5</sup> Par value per share         | \$ 0.001                                 | \$ 0.100   | \$ 0.100  |   |
| <sup>6</sup> Shares outstanding          | 27,027,431                               | 33,003,376   | 35,379,189  | 54,745,077                                  |
| <sup>7</sup> Shares authorized           | unlimited                                | 200 million  | 200 million   | unlimited                                   |

\* Consolidated Statement of Assets and Liabilities.

See Notes to Financial Statements.



## Statements of Assets and Liabilities

| August 31, 2012  | BlackRock<br>High Yield<br>Trust<br>(BHY) | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Income<br>Trust, Inc.<br>(BKT) | BlackRock<br>Strategic Bond<br>Trust<br>(BHD) |
|--|---|--|---|---|
| <b>Assets</b>  |   |  |   |   |
| Investments at value unaffiliated                              | \$ 64,039,715                             | \$ 616,657,167   | \$ 884,548,851                              | \$ 128,290,016                                |
| Investments at value affiliated                                | 1,204,968                                 | 1,343,014  | 2,187,808                                   |   |
| Foreign currency at value <sup>3</sup>                         | 24,065                                    | 548,136  |   | 323,966                                       |
| Cash   |   | 325,000  |   | 1,569,975                                     |
| Cash pledged as collateral for financial futures contracts     | 71,000                                    | 1,344,000  | 2,464,000                                   | 98,660  |
| Cash pledged as collateral for reverse repurchase agreements   |   | 752,000  | 50,000                                      |   |
| Cash pledged as collateral for swaps                           |   | 7,320,000  | 3,300,000                                   | 30,000  |
| TBA sale commitments receivable                                |   |  | 128,007,914                                 |   |
| Investments sold receivable                                    | 128,885                                   | 6,175  | 37,890,812                                  | 318,804                                       |
| Interest receivable  | 1,004,480                                 | 6,218,544  | 2,931,497                                   | 1,859,414                                     |
| Unrealized appreciation on swaps                               | 109,733                                   | 1,471,012  | 10,808,153                                  | 76,928  |
| Swaps receivable   | 14,767                                    | 191,535  | 854,256                                     | 9,446   |
| Swap premiums paid   | 36,862                                    | 371,913  |   | 62,233  |
| Unrealized appreciation on foreign currency exchange contracts | 1,806                                     | 22,416   |   | 11,759  |
| Options written receivable                                     |   | 44,800   |   |   |
| Variation margin receivable                                    |   |  |   | 1,092   |
| Prepaid expenses   | 983                                       | 17,047   | 18,646                                      | 883   |
| <b>Total assets</b>  | <b>66,637,264</b>                         | <b>636,632,759</b>   | <b>1,073,061,937</b>                        | <b>132,653,176</b>                            |
| <b>Liabilities</b>   |   |  |   |   |
| Reverse repurchase agreements                                  |   | 188,055,345  | 119,706,079                                 |   |
| Loan payable   | 19,000,000                                |  |   | 30,000,000                                    |
| Cash received as collateral for swaps                          |   | 1,200,000  | 4,100,000                                   |   |
| Cash received as collateral for reverse repurchase agreements  |   | 127,000  |   |   |
| Investments purchased payable                                  | 467,845                                   | 26,166,838   | 278,873,448                                 | 449,909                                       |
| TBA sale commitments at value <sup>4</sup>                     |   |  | 128,330,057                                 |   |
| Borrowed bonds <sup>5</sup>                                    |   |  | 19,161,752                                  |   |
| Options written at value <sup>6</sup>                          |   | 8,674,269  |   | 70,630  |
| Unrealized depreciation on swaps                               | 11,189                                    | 1,881,422  | 11,773,298                                  | 17,719  |
| Unrealized depreciation on foreign currency exchange contracts | 52,731                                    | 303,654  |   | 174,501                                       |
| Swap premiums received   | 40,060                                    | 362,366  | 239,519                                     | 7,731   |
| Swaps payable  | 20,916                                    | 260,171  | 1,158,670                                   | 5,961   |
| Investment advisory fees payable                               | 48,532                                    | 205,038  | 279,712                                     | 80,266  |
| Variation margin payable                                       | 7,200                                     | 36,766   | 1,087,279                                   | 14,398  |
| Interest expense payable                                       | 4,984                                     | 55,196   | 32,728                                      | 1,090   |
| Officers and Trustees fees payable                             | 11,753                                    | 89,626   | 100,045                                     | 10,227  |
| Income dividends payable                                       |   | 54,222   | 123,245                                     |   |
| Administration fees payable                                    | 5,394                                     | 34,185   | 64,589                                      |   |
| Other liabilities  |   | 879,346  |   |   |
| Other accrued expenses payable                                 | 90,267                                    | 178,941  | 179,696                                     | 96,257  |
| <b>Total liabilities</b>                                       | <b>19,760,871</b>                         | <b>228,564,385</b>   | <b>565,210,117</b>                          | <b>30,928,689</b>                             |
| <b>Net Assets</b>  | <b>\$ 46,876,393</b>                      | <b>\$ 408,068,374</b>                                      | <b>\$ 507,851,820</b>                       | <b>\$ 101,724,487</b>                         |
| <sup>1</sup> Investments at cost unaffiliated                  | \$ 61,524,834                             | \$ 575,150,732   | \$ 860,024,524                              | \$ 120,698,569                                |
| <sup>2</sup> Investments at cost affiliated                    | \$ 1,204,968                              | \$ 1,343,014   | \$ 2,187,808                                |   |

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|   |    |        |    |           |             |         |
|---|----|--------|----|-----------|-------------|---------|
| <sup>3</sup> Foreign currency at cost           | \$ | 23,652 | \$ | 541,509   | \$          | 323,690 |
| <sup>4</sup> Proceeds from TBA sale commitments |    |        |    | \$        | 128,007,914 |         |
| <sup>5</sup> Proceeds from borrowed bonds cost  |    |        |    | \$        | 18,489,219  |         |
| <sup>6</sup> Premiums received                  |    |        | \$ | 8,723,514 | \$          | 87,070  |

See Notes to Financial Statements.

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## Statements of Assets and Liabilities (concluded)

|   | <b>BlackRock<br/>High Yield<br/>Trust<br/>(BHY)</b> | <b>BlackRock<br/>Income<br/>Opportunity<br/>Trust, Inc.<br/>(BNA)</b> | <b>BlackRock<br/>Income<br/>Trust, Inc.<br/>(BKT)</b> | <b>BlackRock<br/>Strategic Bond<br/>Trust<br/>(BHD)</b> |
|---|---|---|---|---|
| <b>August 31, 2012</b>  |   |   |   |   |
| <b>Net Assets Consist of</b>                                    |   |   |   |   |
| Paid-in capital <sup>7,8,9</sup>                                | \$ 58,171,175                                       | \$ 402,924,496  | \$ 478,542,248  | \$ 98,500,895   |
| Cost of shares held in treasury <sup>10</sup>                   |   | (17,377,850)  |   |   |
| Undistributed net investment income                             | 177,267   | 5,436,734   | 8,050,320   | 810,526   |
| Undistributed net realized gain (accumulated net realized loss) | (13,948,050)  | (23,410,788)  | 535,070   | (5,057,691)   |
| Net unrealized appreciation/depreciation                        | 2,476,001   | 40,495,782  | 20,724,182  | 7,470,757   |
| <b>Net Assets</b>   | <b>\$ 46,876,393</b>                                | <b>\$ 408,068,374</b>   | <b>\$ 507,851,820</b>                                 | <b>\$ 101,724,487</b>                                   |
| Net asset value per share                                       | \$ 7.29   | \$ 11.84  | \$ 7.94   | \$ 14.40  |
| <sup>7</sup> Par value per share                                | \$ 0.001  | \$ 0.01   | \$ 0.01   | \$ 0.001  |
| <sup>8</sup> Shares outstanding                                 | 6,429,525   | 34,456,370  | 63,942,535  | 7,061,947   |
| <sup>9</sup> Shares authorized                                  | unlimited   | 200 million   | 200 million   | unlimited   |
| <sup>10</sup> Shares held in treasury                           |   | 1,757,400   |   |   |

See Notes to Financial Statements.

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## Statements of Operations

| Year Ended August 31, 2012                                  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) <sup>1</sup> | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) <sup>1</sup> | BlackRock<br>High Income<br>Shares<br>(HIS) |
|---|--|--|---|---|
| <b>Investment Income</b>                                    |  |  |   |   |
| Interest  | \$ 27,485,309                            | \$ 39,987,875  | \$ 41,868,358   | \$ 12,659,707                               |
| Dividends unaffiliated                                      | 32,376                                   | 1,049,825  | 1,070,266   | 179,155                                     |
| Dividends affiliated  | 6,723                                    | 4,747  | 4,892   | 994   |
| Foreign taxes withheld                                      |  |  |   | (1,463)                                     |
| Total income  | 27,524,408                               | 41,042,447   | 42,943,516  | 12,838,393                                  |
| <b>Expenses</b>   |  |  |   |   |
| Investment advisory   | 2,925,460                                | 3,211,029  | 3,897,072   | 1,127,906                                   |
| Professional  | 135,343                                  | 265,967  | 184,598   | 92,659                                      |
| Borrowing costs <sup>2</sup>                                |  | 370,048  | 397,967   | 118,126                                     |
| Accounting services   | 101,734                                  | 129,713  | 130,214   | 61,370                                      |
| Custodian   | 66,257                                   | 90,349   | 80,023  | 35,593                                      |
| Transfer agent  | 48,629                                   | 63,229   | 68,455  | 48,261                                      |
| Officer and Trustees  | 42,604                                   | 44,348   | 46,621  | 11,950                                      |
| Printing  | 21,960                                   | 48,913   | 49,695  | 14,233                                      |
| Registration  | 9,215                                    | 11,499   | 12,124  | 18,609                                      |
| Miscellaneous   | 54,200                                   | 36,929   | 64,012  | 18,983                                      |
| Total expenses excluding interest expense                   | 3,405,402                                | 4,272,024  | 4,930,781   | 1,547,690                                   |
| Interest expense  | 301,470                                  | 1,326,244  | 1,347,964   | 291,095                                     |
| Total expenses  | 3,706,872                                | 5,598,268  | 6,278,745   | 1,838,785                                   |
| Less fees waived by Manager                                 | (45,192)                                 | (560)  | (605)   | (358)                                       |
| Total expenses after fees waived                            | 3,661,680                                | 5,597,708  | 6,278,140   | 1,838,427                                   |
| Net investment income                                       | 23,862,728                               | 35,444,739   | 36,665,376  | 10,999,966                                  |
| <b>Realized and Unrealized Gain (Loss)</b>                  |  |  |   |   |
| Net realized gain (loss) from:                              |  |  |   |   |
| Investments   | 5,920,218                                | (5,270,906)  | (6,310,905)   | (2,351,206)                                 |
| Financial futures contracts                                 | 2,615,703                                | (4,013,355)  | (4,139,883)   | (351,168)                                   |
| Foreign currency transactions                               | 2,216,632                                | 5,558,443  | 5,140,695   | 992,071                                     |
| Option written  | 1,817,806                                | 1,382,809  | 1,474,047   | 161,669                                     |
| Swaps   | 39,402                                   | 174,098  | 153,327   |   |
| Borrowed bonds  | 115,785                                  |  |   |   |
|   | 12,725,546                               | (2,168,911)  | (3,682,719)   | (1,548,634)                                 |
| Net change in unrealized appreciation/depreciation on:      |  |  |   |   |
| Investments   | 25,476,224                               | 29,923,258   | 30,681,531  | 6,560,115                                   |
| Financial futures contracts                                 | 230,875                                  | 1,527,880  | 1,445,117   | (74,201)                                    |
| Foreign currency translations                               | (302,092)                                | (862,166)  | (943,832)   | (104,185)                                   |
| Option written  | 2,569,518                                | 429,812  | 434,133   |   |
| Swaps   | (3,576,515)                              | 1,209,400  | 1,243,028   |   |
|   | 24,398,010                               | 32,228,184   | 32,859,977  | 6,381,729                                   |
| Total realized and unrealized gain                          | 37,123,556                               | 30,059,273   | 29,177,258  | 4,833,095                                   |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 60,986,284</b>                     | <b>\$ 65,504,012</b>   | <b>\$ 65,842,634</b>  | <b>\$ 15,833,061</b>                        |

<sup>1</sup> Consolidated Statement of Operations.

<sup>2</sup> See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

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## Statements of Operations

| Year Ended August 31, 2012                                  | BlackRock<br>High Yield<br>Trust<br>(BHY) | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Income<br>Trust, Inc.<br>(BKT) | BlackRock<br>Strategic Bond<br>Trust<br>(BHD) |
|---|---|--|---|---|
| <b>Investment Income</b>                                    |   |  |   |   |
| Interest  | \$ 4,238,856                              | \$ 26,557,003  | \$ 29,693,193                               | \$ 8,316,370                                  |
| Dividends unaffiliated                                      | 57,375                                    | 34,997   |   | 85,876  |
| Dividends affiliated  | 946                                       | 7,184  | 13,271                                      | 985   |
| Total income  | 4,297,177                                 | 26,599,184   | 29,706,464                                  | 8,403,231                                     |
| <b>Expenses</b>   |   |  |   |   |
| Investment advisory   | 498,163                                   | 2,321,863  | 3,310,770                                   | 897,234                                       |
| Administration  | 55,351                                    | 386,977  | 764,024                                     |   |
| Professional  | 79,508                                    | 122,304  | 124,247                                     | 59,988  |
| Borrowing costs <sup>1</sup>                                | 42,678                                    |  |   | 93,212  |
| Accounting services   | 44,620                                    | 121,076  | 97,824                                      | 69,736  |
| Custodian   | 25,815                                    | 58,940   | 44,478                                      | 24,314  |
| Transfer agent  | 21,126                                    | 51,941   | 109,741                                     | 20,964  |
| Officer and Trustees  | 5,842                                     | 53,483   | 61,662                                      | 10,465  |
| Printing  | 13,745                                    | 16,229   | 27,088                                      | 12,797  |
| Registration  | 9,152                                     | 11,746   | 21,789                                      | 9,162   |
| Miscellaneous   | 4,086                                     | 39,496   | 46,469                                      | 13,380  |
| Total expenses excluding interest expense                   | 800,086                                   | 3,184,055  | 4,608,092                                   | 1,211,252                                     |
| Interest expense  | 100,150                                   | 304,952  | 329,238                                     | 209,087                                       |
| Total expenses  | 900,236                                   | 3,489,007  | 4,937,330                                   | 1,420,339                                     |
| Less fees waived by Manager                                 | (274)                                     | (2,194)  | (5,174)                                     | (317)   |
| Total expenses after fees waived                            | 899,962                                   | 3,486,813  | 4,932,156                                   | 1,420,022                                     |
| Net investment income                                       | 3,397,215                                 | 23,112,371   | 24,774,308                                  | 6,983,209                                     |
| <b>Realized and Unrealized Gain (Loss)</b>                  |   |  |   |   |
| Net realized gain (loss) from:                              |   |  |   |   |
| Investments   | 208,240                                   | 4,559,265  | 21,609,950                                  | 607,584                                       |
| Financial futures contracts                                 | 8,944                                     | 2,458,482  | (9,831,831)                                 | (279,204)                                     |
| Foreign currency transactions                               | 137,430                                   | 1,695,796  |   | 900,102                                       |
| Option written  | 2,850                                     | 2,489,977  | (726,486)                                   | 10,049  |
| Swaps   | 435,717                                   | (414,174)  | 1,830,628                                   | 90,966  |
| Borrowed bonds  |   | 106,583  | 297,676                                     |   |
| Interest rate floors  |   |  | 440,833                                     |   |
|   | 793,181                                   | 10,895,929   | 13,620,770                                  | 1,329,497                                     |
| Net change in unrealized appreciation/depreciation on:      |   |  |   |   |
| Investments   | 2,582,364                                 | 26,629,370   | (1,310,586)                                 | 6,044,986                                     |
| Financial futures contracts                                 | (87,001)                                  | (138,050)  | (4,582,177)                                 | (39,016)                                      |
| Foreign currency translations                               | (50,424)                                  | (251,022)  |   | (137,403)                                     |
| Option written  |   | 2,390,038  | 825,854                                     | 16,440  |
| Swaps   | (42,673)                                  | (3,486,766)  | (3,606,318)                                 | 1,971   |
| Borrowed bonds  |   |  | (193,669)                                   |   |
| Interest rate floors  |   |  | (132,104)                                   |   |
|   | 2,402,266                                 | 25,143,570   | (8,999,000)                                 | 5,886,978                                     |
| Total realized and unrealized gain                          | 3,195,447                                 | 36,039,499   | 4,621,770                                   | 7,216,475                                     |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 6,592,662</b>                       | <b>\$ 59,151,870</b>                                       | <b>\$ 29,396,078</b>                        | <b>\$ 14,199,684</b>                          |

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<sup>1</sup> See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets:                                   | BlackRock<br>Core Bond Trust (BHK)<br>Year Ended August 31,                    |                | BlackRock Corporate<br>High Yield Fund V, Inc. (HYV)<br>Year Ended August 31, |                |
|--|--|----------------|---|----------------|
|  | 2012   | 2011           | 2012 <sup>1</sup>   | 2011           |
| <b>Operations</b>  |  |                |   |                |
| Net investment income  | \$ 23,862,728  | \$ 22,314,162  | \$ 35,444,739   | \$ 35,857,110  |
| Net realized gain (loss)   | 12,725,546   | (647,293)      | (2,168,911)   | 14,918,241     |
| Net change in unrealized appreciation/depreciation                   | 24,398,010   | (9,184,462)    | 32,228,184  | (12,682,377)   |
| Net increase in net assets resulting from operations                 | 60,986,284   | 12,482,407     | 65,504,012  | 38,092,974     |
| <b>Dividends to Shareholders From</b>                                |  |                |   |                |
| Net investment income  | (22,212,928)   | (23,726,515)   | (35,208,709)  | (35,008,792)   |
| <b>Capital Share Transactions</b>                                    |  |                |   |                |
| Reinvestment of dividends  | 67,030   |                | 718,285   |                |
| <b>Net Assets</b>  |  |                |   |                |
| Total increase (decrease) in net assets                              | 38,840,386   | (11,244,108)   | 31,013,588  | 3,084,182      |
| Beginning of year  | 372,295,457  | 383,539,565    | 385,687,429   | 382,603,247    |
| End of year  | \$ 411,135,843   | \$ 372,295,457 | \$ 416,701,017  | \$ 385,687,429 |
| Undistributed net investment income                                  | \$ 7,384,327   | \$ 3,484,685   | \$ 7,780,357  | \$ 2,797,479   |
| Increase (Decrease) in Net Assets:                                   | BlackRock Corporate<br>High Yield Fund VI, Inc. (HYT)<br>Year Ended August 31, |                | BlackRock<br>High Income Shares (HIS)<br>Year Ended August 31,                |                |
|  | 2012 <sup>1</sup>  | 2011           | 2012  | 2011           |
| <b>Operations</b>  |  |                |   |                |
| Net investment income  | \$ 36,665,376  | \$ 37,473,827  | \$ 10,999,966   | \$ 10,833,774  |
| Net realized gain (loss)   | (3,682,719)  | 14,913,681     | (1,548,634)   | 2,844,466      |
| Net change in unrealized appreciation/depreciation                   | 32,859,977   | (13,209,144)   | 6,381,729   | (3,103,981)    |
| Net increase in net assets resulting from operations                 | 65,842,634   | 39,178,364     | 15,833,061  | 10,574,259     |
| <b>Dividends to Shareholders From</b>                                |  |                |   |                |
| Net investment income  | (36,599,844)   | (35,241,068)   | (11,172,280)  | (11,407,404)   |
| <b>Capital Share Transactions</b>                                    |  |                |   |                |
| Refund of offering costs previously charged to paid-in capital       | 8,495  |                | 2,126   |                |
| Reinvestment of dividends  | 1,006,632  |                | 273,904   |                |
| Net increase in net assets resulting from capital share transactions | 1,015,127  |                | 276,030   |                |
| <b>Net Assets</b>  |  |                |   |                |
| Total increase (decrease) in net assets                              | 30,257,917   | 3,937,296      | 4,936,811   | (833,145)      |
| Beginning of year  | 405,697,106  | 401,759,810    | 118,808,546   | 119,641,691    |
| End of year  | \$ 435,955,023   | \$ 405,697,106 | \$ 123,745,357  | \$ 118,808,546 |
| Undistributed net investment income                                  | \$ 8,725,988   | \$ 4,335,509   | \$ 2,289,115  | \$ 2,031,075   |

<sup>1</sup> Consolidated Statement of Changes in Net Assets.

See Notes to Financial Statements.





## Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets:  | BlackRock<br>High Yield Trust (BHY)<br>Year Ended August 31,   |                | BlackRock Income<br>Opportunity Trust, Inc. (BNA)<br>Year Ended August 31, |                |
|---|--|----------------|--|----------------|
|   | 2012   | 2011           | 2012   | 2011           |
| <b>Operations</b>   |  |                |  |                |
| Net investment income   | \$ 3,397,215   | \$ 3,268,780   | \$ 23,112,371  | \$ 21,766,357  |
| Net realized gain (loss)  | 793,181  | (862,713)      | 10,895,929   | 2,874,735      |
| Net change in unrealized appreciation/depreciation                                | 2,402,266  | 1,613,207      | 25,143,570   | (12,557,938)   |
| Net increase in net assets resulting from operations                              | 6,592,662  | 4,019,274      | 59,151,870   | 12,083,154     |
| <b>Dividends and Distributions to Shareholders From</b>                           |  |                |  |                |
| Net investment income   | (3,374,830)  | (3,278,764)    | (22,258,816)   | (22,287,310)   |
| Tax return of capital   |  | (76,404)       |  |                |
| Decrease in net assets resulting from dividends and distributions to shareholders | (3,374,830)  | (3,355,168)    | (22,258,816)   | (22,287,310)   |
| <b>Capital Share Transactions</b>   |  |                |  |                |
| Reinvestment of dividends   | 14,323   |                |  |                |
| <b>Net Assets</b>   |  |                |  |                |
| Total increase (decrease) in net assets   | 3,232,155  | 664,106        | 36,893,054   | (10,204,156)   |
| Beginning of year   | 43,644,238   | 42,980,132     | 371,175,320  | 381,379,476    |
| End of year   | \$ 46,876,393  | \$ 43,644,238  | \$ 408,068,374   | \$ 371,175,320 |
| Undistributed (distribution in excess of) net investment income                   | \$ 177,267   | \$ (107,518)   | \$ 5,436,734   | \$ 4,312,166   |
|   |  |                |  |                |
| Increase (Decrease) in Net Assets:  | BlackRock<br>Income Trust, Inc. (BKT)<br>Year Ended August 31, |                | BlackRock<br>Strategic Bond Trust (BHD)<br>Year Ended August 31,           |                |
|   | 2012   | 2011           | 2012   | 2011           |
| <b>Operations</b>   |  |                |  |                |
| Net investment income   | \$ 24,774,308  | \$ 22,089,670  | \$ 6,983,209   | \$ 7,484,893   |
| Net realized gain (loss)  | 13,620,770   | (866,088)      | 1,329,497  | 1,355,512      |
| Net change in unrealized appreciation/depreciation                                | (8,999,000)  | 13,053,505     | 5,886,978  | (1,662,468)    |
| Net increase in net assets resulting from operations                              | 29,396,078   | 34,277,087     | 14,199,684   | 7,177,937      |
| <b>Dividends and Distributions to Shareholders From</b>                           |  |                |  |                |
| Net investment income   | (17,586,939)   | (21,772,433)   | (7,652,086)  | (7,845,469)    |
| Net realized gain   | (12,721,826)   |                |  |                |
| Decrease in net assets resulting from dividends and distributions to shareholders | (30,308,765)   | (21,772,433)   | (7,652,086)  | (7,845,469)    |
| <b>Capital Share Transactions</b>   |  |                |  |                |
| Reinvestment of dividends   |  |                | 50,250   |                |
| <b>Net Assets</b>   |  |                |  |                |
| Total increase (decrease) in net assets   | (912,687)  | 12,504,654     | 6,597,848  | (667,532)      |
| Beginning of year   | 508,764,507  | 496,259,853    | 95,126,639   | 95,794,171     |
| End of year   | \$ 507,851,820   | \$ 508,764,507 | \$ 101,724,487   | \$ 95,126,639  |
| Undistributed (distribution in excess of) net investment income                   | \$ 8,050,320   | \$ (33,473)    | \$ 810,526   | \$ 774,363     |

See Notes to Financial Statements.



## Statements of Cash Flows

|  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) <sup>1</sup> | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) <sup>1</sup> | BlackRock<br>High Income<br>Shares<br>(HIS) |
|--|--|--|---|---|
| <b>Year Ended August 31, 2012</b>  |  |  |   |   |
| <b>Cash Used for Operating Activities</b>  |  |  |   |   |
| Net increase in net assets resulting from operations   | \$ 60,986,284                            | \$ 65,504,012  | \$ 65,842,634   | \$ 15,833,061                               |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities: |  |  |   |   |
| Increase in interest receivable  | (414,454)                                | (571,838)  | (547,544)   | (46,031)                                    |
| (Increase) decrease in swaps receivable  | 349,048                                  | (11,335)   | (16,169)  |   |
| Decrease in other assets   | 43,747                                   | 75,109   | 78,540  | 8,396                                       |
| Decrease in prepaid expenses   | 19,865                                   | 56,143   | 57,792  | 22,060                                      |
| Decrease in dividends receivable affiliated  | 266                                      | 392  | 382   | 72  |
| Decrease in commitment fees receivable   | 3,731                                    |  |   |   |
| Decrease in dividends receivable unaffiliated  | 10,384                                   | 28,061   | 14,361  | 8,706                                       |
| Increase in variation margin receivable  | (10,830)                                 |  |   |   |
| Decrease in cash pledged as collateral for financial futures contracts   | 306,000                                  | 2,294,000  | 2,245,000   | 378,000                                     |
| Decrease in cash pledged as collateral for options written   |  | 906,360  | 952,770   |   |
| Increase in cash pledged as collateral for swaps   | (5,390,000)                              | (400,000)  | (400,000)   |   |
| Increase in cash pledged as collateral for reverse repurchase agreements   | (1,643,000)                              |  |   |   |
| Increase in cash received as collateral for swaps  | 500,000                                  | 600,000  | 600,000   |   |
| Decrease in cash received as collateral for reverse repurchase agreements  | (1,204,525)                              |  |   |   |
| Decrease in deferred income  |  | (21,938)   | (23,019)  | (6,731)                                     |
| Increase in investment advisory fees payable   | 13,981                                   | 31,395   | 38,301  | 9,317                                       |
| Decrease in interest expense payable   | (53,208)                                 | (69,841)   | (66,811)  | (36,856)                                    |
| Increase in other liabilities  | 148,988                                  |  |   |   |
| Increase (decrease) in other accrued expenses payable  | (72,839)                                 | 3,750  | (32,729)  | (35,775)                                    |
| Decrease in variation margin payable   | (205,363)                                | (278,768)  | (283,578)   | (28,768)                                    |
| Increase (decrease) in swaps payable   | 144,013                                  | (422,415)  | (410,627)   |   |
| Increase (decrease) in Officers and Trustees fees payable  | (1,279)                                  | (136)  | 22,182  | 73  |
| Net periodic and termination payments of swaps   | 312,785                                  | 985,954  | 1,013,858   |   |
| Net realized and unrealized gain on investments  | (32,510,405)                             | (26,537,265)   | (26,703,560)  | (4,158,378)                                 |
| Amortization of premium and accretion of discount on investments   | 369,974                                  | (146,033)  | (305,966)   | (927,038)                                   |
| Premiums received from options written   | 21,979,476                               | 1,463,221  | 1,583,542   | 263,208                                     |
| Proceeds from sales of long-term investments   | 1,646,560,835                            | 330,804,178  | 343,603,187   | 95,596,182                                  |
| Purchases of long-term investments   | (1,684,133,269)                          | (384,264,156)  | (400,174,317)   | (108,486,310)                               |
| Proceeds from borrowed bond transactions   | 35,657,057                               |  |   |   |
| Payments for borrowed bond transactions  | (35,543,921)                             |  |   |   |
| Net proceeds from sales (purchases) of short-term securities   | 4,177,662                                | 1,171,689  | 941,235   | 822,452                                     |
| Premiums paid on closing options written   | (15,845,814)                             | (1,042,046)  | (1,158,201)   | (101,538)                                   |
| Cash used for operating activities   | (5,444,811)                              | (9,841,507)  | (13,128,737)  | (885,898)                                   |
| <b>Cash Provided by Financing Activities</b>   |  |  |   |   |
| Refund of offering costs   |  |  | 8,495   | 2,126                                       |
| Cash receipts from borrowings  | 548,354,808                              | 162,000,000  | 174,000,000   | 46,000,000                                  |

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|                                       |               |               |               |              |
|---------------------------------------|---------------|---------------|---------------|--------------|
| Cash payments on borrowings           | (519,285,954) | (116,000,000) | (123,000,000) | (33,000,000) |
| Cash dividends paid to shareholders   | (22,196,984)  | (34,564,809)  | (35,688,224)  | (10,924,322) |
| Cash provided by financing activities | 6,871,870     | 11,435,191    | 15,320,271    | 2,077,804    |

### Cash Impact from Foreign Exchange Fluctuations

|  |        |       |       |     |
|--|--------|-------|-------|-----|
| Cash impact from foreign exchange fluctuations | 22,404 | 1,129 | 2,228 | 787 |
|--|--------|-------|-------|-----|

### Cash and Foreign Currency

|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| Net increase in cash and foreign currency      | 1,449,463    | 1,594,813    | 2,193,762    | 1,192,693    |
| Cash and foreign currency at beginning of year | 329,783      | 230,472      | 224,348      | 20,474       |
| Cash and foreign currency at end of year       | \$ 1,779,246 | \$ 1,825,285 | \$ 2,418,110 | \$ 1,213,167 |

### Cash Flow Information

|  |            |              |              |            |
|--|------------|--------------|--------------|------------|
| Cash paid during the year for interest | \$ 354,678 | \$ 1,396,085 | \$ 1,414,775 | \$ 327,951 |
|--|------------|--------------|--------------|------------|

### Non-cash Financing Activities

|  |           |            |              |            |
|--|-----------|------------|--------------|------------|
| Capital shares issued in reinvestment of dividends | \$ 67,030 | \$ 718,285 | \$ 1,006,632 | \$ 273,904 |
|--|-----------|------------|--------------|------------|

<sup>1</sup> Consolidated Statement of Cash Flows.

A Statement of Cash Flows is presented when a Trust had a significant amount of borrowing during the year, based on the average borrowings outstanding in relation to average total assets.

See Notes to Financial Statements.

## Statements of Cash Flows

|  | BlackRock<br>High Yield<br>Trust<br>(BHY) | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Income Trust,<br>Inc.<br>(BKT) | BlackRock<br>Strategic<br>Bond Trust<br>(BHD) |
|--|---|--|---|---|
| <b>Year Ended August 31, 2012</b>  |   |  |   |   |
| <b>Cash Provided by (Used for) Operating Activities</b>  |   |  |   |   |
| Net increase in net assets resulting from operations   | \$ 6,592,662                              | \$ 59,151,870  | \$ 29,396,078                               | \$ 14,199,684                                 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities: |   |  |   |   |
| (Increase) decrease in interest receivable   | (187,251)                                 | (359,327)  | 1,084,854                                   | (43,333)                                      |
| (Increase) decrease in swaps receivable  | 244,192                                   | 389,714  | 1,429,363                                   | (727)   |
| Decrease in other assets   | 9,290                                     | 66,856   | 81,876                                      | 7,448   |
| Decrease in prepaid expenses   | 7,887                                     | 5,390  | 7,276                                       | 18,922  |
| Decrease in dividends receivable affiliated  | 73  | 564  | 690   | 58  |
| Decrease in dividends receivable unaffiliated  | 2,478                                     |  |   |   |
| (Increase) decrease in variation margin receivable   |   |  | 658,258                                     | (1,092)                                       |
| (Increase) decrease in cash pledged as collateral for financial futures contracts  | (71,000)                                  | (999,000)  | 881,000                                     | (75,000)                                      |
| Increase in cash pledged as collateral for reverse repurchase agreements   |   | (752,000)  | (50,000)                                    |   |
| (Increase) decrease in cash pledged as collateral for swaps  |   | (4,220,000)  | 3,545,000                                   | (30,000)                                      |
| Increase in cash received as collateral for reverse repurchase agreements  |   | 127,000  |   |   |
| Increase in cash received as collateral for swaps  |   | 1,200,000  | 4,100,000                                   |   |
| Increase in investment advisory fees payable   | 29,645                                    | 76,374   | 125,803                                     | 4,879   |
| Decrease in interest expense payable   | (716)                                     | (58,721)   | (139,320)                                   | (14,902)                                      |
| Decrease in other affiliates payable   |   |  |   | (2,056)                                       |
| Increase in other liabilities  |   | 879,346  |   |   |
| Decrease in administration fees payable  | (16,003)                                  | (58,628)   | (126,410)                                   |   |
| Decrease in other accrued expenses payable   | (9,041)                                   | (351,251)  | (184,029)                                   | (60,081)                                      |
| Increase (decrease) in variation margin payable  | 7,200                                     | (164,395)  | 1,087,279                                   | 8,210   |
| Increase (decrease) in swaps payable   | 18,888                                    | 116,676  | (2,095,682)                                 | (5,829)                                       |
| Increase in Officers' and Trustees' fees payable   | 1,284                                     | 17,379   | 15,904                                      | 1,985   |
| Net periodic and termination payments of swaps   | 241,433                                   | (312,279)  | 835,969                                     | 127,964                                       |
| Net realized and unrealized gain on investments  | (3,136,074)                               | (33,285,480)   | (17,086,909)                                | (6,574,406)                                   |
| Amortization of premium and accretion of discount on investments   | 11,888                                    | 1,140,718  | 8,334,140                                   | 40,296  |
| Premiums received from options written   | 2,850                                     | 21,989,997   | 626,784                                     | 98,230  |
| Proceeds from sales of long-term investments   | 32,860,351                                | 1,637,113,266  | 3,862,317,810                               | 56,325,369                                    |
| Purchases of long-term investments   | (45,440,411)                              | (1,679,555,230)  | (3,750,248,299)                             | (61,425,243)                                  |
| Proceeds from borrowed bond transactions   |   | 50,346,459   | 34,419,626                                  |   |
| Payments for borrowed bond transactions  |   | (50,242,735)   | (23,352,669)                                |   |
| Net proceeds from sales (purchases) of short-term securities   | (783,623)                                 | 2,363,279  | (9,338,958)                                 | 891,719                                       |
| Premiums paid on closing options written   |   | (14,775,630)   | (2,155,182)                                 | (1,110)                                       |
| Cash provided by (used for) operating activities   | (9,613,998)                               | (10,149,788)   | 144,170,252                                 | 3,490,985                                     |
| <b>Cash Provided by (Used for) Financing Activities</b>  |   |  |   |   |
| Cash receipts from borrowings  | 21,000,000                                | 549,257,071  | 1,111,266,559                               | 30,494,188                                    |
| Cash payments on borrowings  | (8,000,000)                               | (516,082,969)  | (1,225,222,835)                             | (24,493,169)                                  |
| Cash dividends paid to shareholders  | (3,362,350)                               | (22,256,005)   | (30,273,756)                                | (7,612,303)                                   |
| Decrease in bank overdraft   |   | (3,771)  |   |   |

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|  |           |            |               |             |
|--|-----------|------------|---------------|-------------|
| Cash provided by (used for) financing activities | 9,637,650 | 10,914,326 | (144,230,032) | (1,611,284) |
|--|-----------|------------|---------------|-------------|

**Cash Impact from Foreign Exchange Fluctuations**

|  |     |       |  |     |
|--|-----|-------|--|-----|
| Cash impact from foreign exchange fluctuations | 413 | 4,159 |  | 299 |
|--|-----|-------|--|-----|

**Cash and Foreign Currency**

|  |           |            |          |              |
|--|-----------|------------|----------|--------------|
| Net increase (decrease) in cash and foreign currency | 24,065    | 768,697    | (59,780) | 1,880,000    |
| Cash and foreign currency at beginning of year       |           | 104,439    | 59,780   | 13,941       |
| Cash and foreign currency at end of year             | \$ 24,065 | \$ 873,136 |          | \$ 1,893,941 |

**Cash Flow Information**

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Cash paid during the year for interest | \$ 100,866 | \$ 363,673 | \$ 468,558 | \$ 223,989 |
|--|------------|------------|------------|------------|

**Non-cash Financing Activities**

|  |           |  |  |           |
|--|-----------|--|--|-----------|
| Capital shares issued in reinvestment of dividends | \$ 14,323 |  |  | \$ 50,250 |
|--|-----------|--|--|-----------|

A Statement of Cash Flows is presented when a Trust had a significant amount of borrowing during the year, based on the average borrowings outstanding in relation to average total assets.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Core Bond Trust (BHK)

|  | Year Ended August 31, |                   |                   |                   | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31,<br>2007 |
|--|-----------------------|-------------------|-------------------|-------------------|--|-----------------------------------|
|  | 2012                  | 2011              | 2010              | 2009              |  |                                   |
| <b>Per Share Operating Performance</b>             |                       |                   |                   |                   |  |                                   |
| Net asset value, beginning of period               | \$ 13.78              | \$ 14.19          | \$ 12.56          | \$ 12.81          | \$ 13.63   | \$ 13.82                          |
| Net investment income                              | 0.88 <sub>1</sub>     | 0.83 <sub>1</sub> | 0.87 <sub>1</sub> | 0.80 <sub>1</sub> | 0.50 <sub>1</sub>                                      | 0.74                              |
| Net realized and unrealized gain (loss)            | 1.37                  | (0.36)            | 1.76              | (0.28)            | (0.69)   | (0.13)                            |
| Net increase (decrease) from investment operations | 2.25                  | 0.47              | 2.63              | 0.52              | (0.19)   | 0.61                              |
| Dividends and distributions from:                  |                       |                   |                   |                   |  |                                   |
| Net investment income                              | (0.82)                | (0.88)            | (1.00)            | (0.77)            | (0.61)   | (0.61)                            |
| Tax return of capital                              |                       |                   |                   |                   | (0.02)   | (0.19)                            |
| Total dividends and distributions                  | (0.82)                | (0.88)            | (1.00)            | (0.77)            | (0.63)   | (0.80)                            |
| Net asset value, end of period                     | \$ 15.21              | \$ 13.78          | \$ 14.19          | \$ 12.56          | \$ 12.81   | \$ 13.63                          |
| Market price, end of period                        | \$ 15.41              | \$ 12.69          | \$ 13.92          | \$ 11.98          | \$ 11.51   | \$ 12.23                          |

**Total Investment Return<sup>2</sup>**

|                          |        |         |        |        |                      |       |
|--------------------------|--------|---------|--------|--------|----------------------|-------|
| Based on net asset value | 17.06% | 4.02%   | 22.44% | 5.28%  | (1.00)% <sup>3</sup> | 5.04% |
| Based on market price    | 28.78% | (2.35)% | 25.93% | 11.76% | (0.87)% <sup>3</sup> | 1.29% |

**Ratios to Average Net Assets**

|   |       |       |       |       |                    |       |
|---|-------|-------|-------|-------|--------------------|-------|
| Total expenses  | 0.95% | 1.02% | 1.18% | 1.06% | 2.29% <sup>4</sup> | 1.60% |
| Total expenses after fees waived and paid indirectly                                | 0.94% | 1.02% | 1.18% | 1.06% | 2.29% <sup>4</sup> | 1.60% |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.86% | 0.93% | 0.95% | 0.83% | 0.89% <sup>4</sup> | 0.78% |
| Net investment income   | 6.13% | 6.05% | 6.62% | 7.09% | 4.55% <sup>4</sup> | 5.36% |

**Supplemental Data**

|   |                   |                   |                   |                   |                   |            |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------|
| Net assets, end of period (000)                         | \$ 411,136        | \$ 372,295        | \$ 383,540        | \$ 339,524        | \$ 346,177        | \$ 368,335 |
| Borrowings outstanding, end of period (000)             | \$ 182,679        | \$ 152,301        | \$ 168,938        | \$ 74,572         | \$ 107,690        | \$ 103,354 |
| Average borrowings outstanding, during the period (000) | \$ 143,234        | \$ 151,080        | \$ 162,760        | \$ 73,467         | \$ 134,784        | \$ 44,786  |
| Portfolio turnover                                      | 290% <sup>5</sup> | 824% <sup>6</sup> | 641% <sup>7</sup> | 315% <sup>8</sup> | 598% <sup>9</sup> | 122%       |
| Asset coverage, end of period per \$1,000               | \$ 3,251          | \$ 3,444          | \$ 3,270          | \$ 5,553          | \$ 4,215          | \$ 4,564   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 237%.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 544%.



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- <sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 534%.
- <sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 184%.
- <sup>9</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 337%.

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## Financial Highlights

|   | BlackRock Corporate<br>High Yield Fund V, Inc. (HYV)<br>Year Ended August 31, |            |            |            |            | BlackRock Corporate<br>High Yield Fund VI, Inc. (HYT)<br>Year Ended August 31, |            |            |            |            |
|---|---|------------|------------|------------|------------|--|------------|------------|------------|------------|
|   | 2012 <sup>1</sup>   | 2011       | 2010       | 2009       | 2008       | 2012 <sup>1</sup>  | 2011       | 2010       | 2009       | 2008       |
| <b>Per Share Operating Performance</b>  |   |            |            |            |            |  |            |            |            |            |
| Net asset value, beginning of year  | \$ 11.71  | \$ 11.61   | \$ 9.71    | \$ 11.94   | \$ 13.83   | \$ 11.49   | \$ 11.38   | \$ 9.68    | \$ 11.89   | \$ 13.81   |
| Net investment income <sup>2</sup>  | 1.08  | 1.09       | 1.06       | 1.07       | 1.18       | 1.04   | 1.06       | 1.05       | 1.05       | 1.16       |
| Net realized and unrealized gain (loss)   | 0.91  | 0.07       | 1.86       | (2.10)     | (1.85)     | 0.83   | 0.05       | 1.67       | (2.07)     | (1.87)     |
| Net increase (decrease) from investment operations                                  | 1.99  | 1.16       | 2.92       | (1.03)     | (0.67)     | 1.87   | 1.11       | 2.72       | (1.02)     | (0.71)     |
| Dividends and distributions from:   |   |            |            |            |            |  |            |            |            |            |
| Net investment income   | (1.07)  | (1.06)     | (1.02)     | (1.20)     | (1.17)     | (1.04)   | (1.00)     | (1.02)     | (1.19)     | (1.21)     |
| Net realized gain   |   |            |            |            | (0.05)     |  |            |            |            |            |
| Total dividends and distributions   | (1.07)  | (1.06)     | (1.02)     | (1.20)     | (1.22)     | (1.04)   | (1.00)     | (1.02)     | (1.19)     | (1.21)     |
| Net asset value, end of year  | \$ 12.63  | \$ 11.71   | \$ 11.61   | \$ 9.71    | \$ 11.94   | \$ 12.32   | \$ 11.49   | \$ 11.38   | \$ 9.68    | \$ 11.89   |
| Market price, end of year   | \$ 13.51  | \$ 11.55   | \$ 11.40   | \$ 9.32    | \$ 10.15   | \$ 12.96   | \$ 11.21   | \$ 11.19   | \$ 9.47    | \$ 10.14   |
| <b>Total Investment Return<sup>3</sup></b>  |   |            |            |            |            |  |            |            |            |            |
| Based on net asset value  | 17.92%  | 10.29%     | 31.40%     | (3.83)%    | (3.99)%    | 17.14%   | 9.95%      | 29.26%     | (4.03)%    | (4.30)%    |
| Based on market price   | 27.88%  | 10.79%     | 34.42%     | 8.59%      | (7.78)%    | 26.30%   | 9.09%      | 29.92%     | 10.09%     | (7.24)%    |
| <b>Ratios to Average Net Assets</b>   |   |            |            |            |            |  |            |            |            |            |
| Total expenses  | 1.42%   | 1.34%      | 1.26%      | 1.84%      | 2.11%      | 1.51%  | 1.41%      | 1.34%      | 2.01%      | 2.24%      |
| Total expenses after fees waived and paid indirectly                                | 1.42%   | 1.34%      | 1.26%      | 1.84%      | 2.11%      | 1.51%  | 1.41%      | 1.34%      | 2.01%      | 2.24%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.08% <sup>4</sup>  | 1.02%      | 0.99%      | 1.16%      | 0.97%      | 1.19% <sup>5</sup>   | 1.12%      | 1.09%      | 1.28%      | 1.10%      |
| Net investment income   | 8.96%   | 8.82%      | 9.52%      | 13.00%     | 9.16%      | 8.84%  | 8.80%      | 9.52%      | 12.82%     | 9.02%      |
| <b>Supplemental Data</b>  |   |            |            |            |            |  |            |            |            |            |
| Net assets, end of year (000)   | \$ 416,701  | \$ 385,687 | \$ 382,603 | \$ 320,045 | \$ 393,389 | \$ 435,955   | \$ 405,697 | \$ 401,760 | \$ 341,415 | \$ 419,502 |
| Borrowings outstanding, end of year (000)   | \$ 175,000  | \$ 129,000 | \$ 92,000  | \$ 54,000  | \$ 94,700  | \$ 181,000   | \$ 130,000 | \$ 89,000  | \$ 58,000  | \$ 110,900 |
| Average borrowings outstanding, during the year (000)                               | \$ 140,036  | \$ 119,652 | \$ 79,427  | \$ 65,403  | \$ 106,140 | \$ 142,342   | \$ 115,512 | \$ 76,356  | \$ 73,784  | \$ 113,996 |
| Portfolio turnover  | 61%   | 87%        | 90%        | 65%        | 46%        | 61%  | 87%        | 85%        | 60%        | 45%        |
| Asset coverage, end of year per \$1,000   | \$ 3,381  | \$ 3,990   | \$ 5,159   | \$ 6,927   | \$ 5,154   | \$ 3,409   | \$ 4,121   | \$ 5,514   | \$ 6,886   | \$ 4,783   |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup>

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Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

- <sup>4</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 0.99%.
- <sup>5</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.09%.

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## Financial Highlights

## BlackRock High Income Shares (HIS)

|  | Year Ended August 31, |                   |                   |                   | Period<br>January 1,<br>2008 to<br>August 31,<br>2008 | Year Ended<br>December 31,<br>2007 |
|--|-----------------------|-------------------|-------------------|-------------------|---|------------------------------------|
|  | 2012                  | 2011              | 2010              | 2009              |   |                                    |
| <b>Per Share Operating Performance</b>   |                       |                   |                   |                   |   |                                    |
| Net asset value, beginning of period   | \$ 2.18               | \$ 2.19           | \$ 1.85           | \$ 2.23           | \$ 2.47   | \$ 2.68                            |
| Net investment income  | 0.20 <sub>1</sub>     | 0.20 <sub>1</sub> | 0.20 <sub>1</sub> | 0.19 <sub>1</sub> | 0.15 <sub>1</sub>                                     | 0.24                               |
| Net realized and unrealized gain (loss)  | 0.08                  |                   | 0.31              | (0.36)            | (0.26)  | (0.21)                             |
| Net increase (decrease) from investment operations   | 0.28                  | 0.20              | 0.51              | (0.17)            | (0.11)  | 0.03                               |
| Dividends from net investment income   | (0.20)                | (0.21)            | (0.17)            | (0.21)            | (0.13)  | (0.24)                             |
| Net asset value, end of period   | \$ 2.26               | \$ 2.18           | \$ 2.19           | \$ 1.85           | \$ 2.23   | \$ 2.47                            |
| Market price, end of period  | \$ 2.40               | \$ 2.10           | \$ 2.09           | \$ 1.68           | \$ 1.88   | \$ 2.14                            |
| <b>Total Investment Return<sup>2</sup></b>   |                       |                   |                   |                   |   |                                    |
| Based on net asset value   | 13.91%                | 9.56%             | 28.95%            | (3.01)%           | (4.00)% <sup>3</sup>                                  | 1.58%                              |
| Based on market price  | 25.58%                | 10.59%            | 35.52%            | 4.47%             | (6.59)% <sup>3</sup>                                  | (7.51)%                            |
| <b>Ratios to Average Net Assets</b>  |                       |                   |                   |                   |   |                                    |
| Total expenses   | 1.54%                 | 1.49%             | 1.49%             | 2.01%             | 1.98% <sup>4</sup>                                    | 3.56%                              |
| Total expenses after fees waived and paid indirectly   | 1.54%                 | 1.49%             | 1.49%             | 2.01%             | 1.98% <sup>4</sup>                                    | 3.55%                              |
| Total expenses after fees waived and paid indirectly and excluding interest expense <sup>5</sup> | 1.29%                 | 1.25%             | 1.27%             | 1.41%             | 1.05% <sup>4</sup>                                    | 1.27%                              |
| Net investment income  | 9.19%                 | 8.66%             | 9.34%             | 12.06%            | 9.52% <sup>4</sup>                                    | 8.89%                              |
| <b>Supplemental Data</b>   |                       |                   |                   |                   |   |                                    |
| Net assets, end of period (000)  | \$ 123,745            | \$ 118,809        | \$ 119,642        | \$ 100,921        | \$ 121,808  | \$ 135,098                         |
| Borrowings outstanding, end of period (000)  | \$ 42,000             | \$ 29,000         | \$ 25,000         | \$ 18,000         | \$ 27,000   | \$ 46,000                          |
| Average borrowings outstanding, during the period (000)  | \$ 30,746             | \$ 26,729         | \$ 21,027         | \$ 21,220         | \$ 27,069   | \$ 55,868                          |
| Portfolio turnover   | 63%                   | 90%               | 85%               | 55%               | 25%   | 69%                                |
| Asset coverage, end of period per \$1,000  | \$ 3,946              | \$ 5,097          | \$ 5,786          | \$ 6,607          | \$ 5,512  | \$ 3,937                           |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.19%.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock High Yield Trust (BHY)

|  | 2012              | Year Ended August 31, |                   | 2009              | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31,<br>2007 |
|--|-------------------|-----------------------|-------------------|-------------------|--|-----------------------------------|
|  |                   | 2011                  | 2010              |                   |  |                                   |
| <b>Per Share Operating Performance</b>             |                   |                       |                   |                   |  |                                   |
| Net asset value, beginning of period               | \$ 6.79           | \$ 6.69               | \$ 5.78           | \$ 6.84           | \$ 7.91  | \$ 7.85                           |
| Net investment income                              | 0.53 <sup>1</sup> | 0.51 <sup>1</sup>     | 0.51 <sup>1</sup> | 0.51 <sup>1</sup> | 0.50 <sup>1</sup>                                      | 0.63                              |
| Net realized and unrealized gain (loss)            | 0.50              | 0.11                  | 0.92              | (1.00)            | (1.06)   | 0.04                              |
| Net increase (decrease) from investment operations | 1.03              | 0.62                  | 1.43              | (0.49)            | (0.56)   | 0.67                              |
| Dividends and distributions from:                  |                   |                       |                   |                   |  |                                   |
| Net investment income                              | (0.53)            | (0.51)                | (0.50)            | (0.55)            | (0.51)   | (0.61)                            |
| Tax return of capital                              |                   | (0.01)                | (0.02)            | (0.02)            |  |                                   |
| Total dividends and distributions                  | (0.53)            | (0.52)                | (0.52)            | (0.57)            | (0.51)   | (0.61)                            |
| Net asset value, end of period                     | \$ 7.29           | \$ 6.79               | \$ 6.69           | \$ 5.78           | \$ 6.84  | \$ 7.91                           |
| Market price, end of period                        | \$ 8.04           | \$ 6.60               | \$ 6.44           | \$ 5.84           | \$ 5.96  | \$ 6.92                           |

Total Investment Return<sup>2</sup>

|                          |        |        |        |         |                      |         |
|--------------------------|--------|--------|--------|---------|----------------------|---------|
| Based on net asset value | 15.70% | 9.66%  | 25.70% | (5.30)% | (6.47)% <sup>3</sup> | 9.03%   |
| Based on market price    | 31.27% | 10.73% | 19.76% | 9.81%   | (6.85)% <sup>3</sup> | (3.63)% |

## Ratios to Average Net Assets

|  |       |       |       |        |                    |       |
|--|-------|-------|-------|--------|--------------------|-------|
| Total expenses   | 2.01% | 2.04% | 2.10% | 2.61%  | 2.61% <sup>4</sup> | 4.16% |
| Total expenses after fees waived and paid indirectly   | 2.01% | 2.04% | 2.10% | 2.61%  | 2.61% <sup>4</sup> | 4.14% |
| Total expenses after fees waived and paid indirectly and excluding interest expense <sup>5</sup> | 1.79% | 1.85% | 1.91% | 2.16%  | 1.77% <sup>4</sup> | 2.10% |
| Net investment income  | 7.59% | 7.18% | 7.89% | 10.22% | 8.34% <sup>4</sup> | 7.84% |

## Supplemental Data

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Net assets, end of period (000)                         | \$ 46,876 | \$ 43,644 | \$ 42,980 | \$ 37,137 | \$ 43,897 | \$ 50,782 |
| Borrowings outstanding, end of period (000)             | \$ 19,000 | \$ 6,000  | \$ 8,000  | \$ 4,000  | \$ 6,250  | \$ 9,250  |
| Average borrowings outstanding, during the period (000) | \$ 10,615 | \$ 7,427  | \$ 6,427  | \$ 5,223  | \$ 7,443  | \$ 17,710 |
| Portfolio turnover                                      | 59%       | 81%       | 80%       | 54%       | 34%       | 69%       |
| Asset coverage, end of period per \$1,000               | \$ 3,467  | \$ 8,274  | \$ 6,373  | \$ 10,284 | \$ 8,023  | \$ 6,490  |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.69%.

See Notes to Financial Statements.



## Financial Highlights

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

|  | 2012              | Year Ended August 31, |                   | 2009              | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31,<br>2007 |
|--|-------------------|-----------------------|-------------------|-------------------|--|-----------------------------------|
|  |                   | 2011                  | 2010              |                   |  |                                   |
| <b>Per Share Operating Performance</b>             |                   |                       |                   |                   |  |                                   |
| Net asset value, beginning of period               | \$ 10.77          | \$ 11.07              | \$ 10.02          | \$ 10.35          | \$ 11.02   | \$ 11.17                          |
| Net investment income                              | 0.67 <sub>1</sub> | 0.63 <sub>1</sub>     | 0.59 <sub>1</sub> | 0.59 <sub>1</sub> | 0.53 <sub>1</sub>                                      | 0.62                              |
| Net realized and unrealized gain (loss)            | 1.05              | (0.28)                | 1.25              | (0.31)            | (0.69)   | (0.11)                            |
| Net increase (decrease) from investment operations | 1.72              | 0.35                  | 1.84              | 0.28              | (0.16)   | 0.51                              |
| Dividends and distributions from:                  |                   |                       |                   |                   |  |                                   |
| Net investment income                              | (0.65)            | (0.65)                | (0.79)            | (0.61)            | (0.51)   | (0.61)                            |
| Tax return of capital                              |                   |                       |                   |                   |  | (0.05)                            |
| Total dividends and distributions                  | (0.65)            | (0.65)                | (0.79)            | (0.61)            | (0.51)   | (0.66)                            |
| Net asset value, end of period                     | \$ 11.84          | \$ 10.77              | \$ 11.07          | \$ 10.02          | \$ 10.35   | \$ 11.02                          |
| Market price, end of period                        | \$ 11.58          | \$ 9.85               | \$ 10.56          | \$ 9.65           | \$ 9.82  | \$ 10.19                          |

Total Investment Return<sup>2</sup>

|                          |        |         |        |       |                      |       |
|--------------------------|--------|---------|--------|-------|----------------------|-------|
| Based on net asset value | 16.81% | 3.91%   | 19.83% | 3.90% | (1.07)% <sup>3</sup> | 5.11% |
| Based on market price    | 24.92% | (0.37)% | 18.69% | 5.46% | 1.51% <sup>3</sup>   | 2.62% |

## Ratios to Average Net Assets

|   |       |       |       |       |                    |       |
|---|-------|-------|-------|-------|--------------------|-------|
| Total expenses  | 0.90% | 0.95% | 1.09% | 0.95% | 2.25% <sup>4</sup> | 2.01% |
| Total expenses after fees waived and paid indirectly                                | 0.90% | 0.95% | 1.09% | 0.95% | 2.25% <sup>4</sup> | 2.00% |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.82% | 0.85% | 0.86% | 0.85% | 0.83% <sup>4</sup> | 0.87% |
| Net investment income   | 5.97% | 5.94% | 5.81% | 6.45% | 5.89% <sup>4</sup> | 5.68% |

## Supplemental Data

|   |                   |                   |                   |                   |                   |            |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------|
| Net assets, end of period (000)                         | \$ 408,068        | \$ 371,175        | \$ 381,379        | \$ 345,101        | \$ 356,456        | \$ 379,605 |
| Borrowings outstanding, end of period (000)             | \$ 188,055        | \$ 154,883        | \$ 157,776        | \$ 77,474         | \$ 100,740        | \$ 105,262 |
| Average borrowings outstanding, during the period (000) | \$ 151,411        | \$ 148,617        | \$ 151,700        | \$ 49,573         | \$ 131,462        | \$ 68,241  |
| Portfolio turnover                                      | 285% <sup>5</sup> | 774% <sup>6</sup> | 720% <sup>7</sup> | 270% <sup>8</sup> | 441% <sup>9</sup> | 196%       |
| Asset coverage, end of period per \$1,000               | \$ 3,170          | \$ 3,396          | \$ 3,417          | \$ 5,454          | \$ 4,538          | \$ 4,606   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 231%.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 492%.

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- <sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 608%.
- <sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 165%.
- <sup>9</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 168%.

See Notes to Financial Statements.



## Financial Highlights

## BlackRock Income Trust, Inc. (BKT)

|   | Year Ended August 31, |                   |                   |                   | Period  | Year Ended          |
|---|-----------------------|-------------------|-------------------|-------------------|---|---------------------|
|   | 2012                  | 2011              | 2010              | 2009              | November<br>1,<br>2007 to<br>August 31,<br>2008 | October 31,<br>2007 |
| <b>Per Share Operating Performance</b>  |                       |                   |                   |                   |   |                     |
| Net asset value, beginning of period  | \$ 7.96               | \$ 7.76           | \$ 7.12           | \$ 6.94           | \$ 6.53   | \$ 6.48             |
| Net investment income   | 0.39 <sup>1</sup>     | 0.35 <sup>1</sup> | 0.20 <sup>1</sup> | 0.28 <sup>1</sup> | 0.26 <sup>1</sup>                               | 0.30                |
| Net realized and unrealized gain  | 0.06                  | 0.19              | 0.73              | 0.19              | 0.40  | 0.12                |
| Net increase (decrease) from investment operations                                  | 0.45                  | 0.54              | 0.93              | 0.47              | 0.66  | 0.42                |
| Dividends and distributions from:   |                       |                   |                   |                   |   |                     |
| Net investment income   | (0.27)                | (0.34)            | (0.26)            | (0.29)            | (0.25)  | (0.29)              |
| Net realized gain   | (0.20)                |                   | (0.03)            |                   |   |                     |
| Tax return of capital   |                       |                   |                   |                   |   | (0.08)              |
| Total dividends and distributions   | (0.47)                | (0.34)            | (0.29)            | (0.29)            | (0.25)  | (0.37)              |
| Net asset value, end of period  | \$ 7.94               | \$ 7.96           | \$ 7.76           | \$ 7.12           | \$ 6.94   | \$ 6.53             |
| Market price, end of period   | \$ 7.63               | \$ 7.18           | \$ 6.95           | \$ 6.53           | \$ 6.07   | \$ 5.81             |
| <b>Total Investment Return<sup>2</sup></b>  |                       |                   |                   |                   |   |                     |
| Based on net asset value  | 6.24%                 | 7.70%             | 13.86%            | 7.64%             | 10.82% <sup>3</sup>                             | 7.06%               |
| Based on market price   | 13.19%                | 8.47%             | 11.19%            | 12.87%            | 8.94% <sup>3</sup>                              | 1.69%               |
| <b>Ratios to Average Net Assets</b>   |                       |                   |                   |                   |   |                     |
| Total expenses  | 0.97%                 | 1.06%             | 1.05%             | 1.09%             | 1.63% <sup>4</sup>                              | 2.77%               |
| Total expenses after fees waived and before fees paid indirectly                    | 0.97%                 | 1.05%             | 1.02%             | 1.08%             | 1.63% <sup>4</sup>                              | 2.77%               |
| Total expenses after fees waived and paid indirectly                                | 0.97%                 | 1.05%             | 1.02%             | 1.08%             | 1.63% <sup>4</sup>                              | 2.76%               |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.90%                 | 0.94%             | 0.92%             | 0.93%             | 0.91% <sup>4</sup>                              | 0.98%               |
| Net investment income   | 4.86%                 | 4.43%             | 2.72%             | 4.09%             | 4.67% <sup>4</sup>                              | 4.60%               |
| <b>Supplemental Data</b>  |                       |                   |                   |                   |   |                     |
| Net assets, end of period (000)   | \$ 507,852            | \$ 508,765        | \$ 496,260        | \$ 455,529        | \$ 444,054                                      | \$ 417,651          |
| Borrowings outstanding, end of period (000)   | \$ 119,706            | \$ 233,676        | \$ 106,985        | \$ 11,815         |   | \$ 33,895           |
| Average borrowings outstanding, during the period (000)                             | \$ 183,890            | \$ 116,771        | \$ 23,316         | \$ 537            | \$ 61,777                                       | \$ 93,325           |
| Portfolio turnover  | 487% <sup>5</sup>     | 899% <sup>6</sup> | 883% <sup>7</sup> | 700% <sup>8</sup> | 263% <sup>9</sup>                               | 250%                |
| Asset coverage, end of period per \$1,000   | \$ 5,242              | \$ 3,177          | \$ 5,639          | \$ 39,555         |   | \$ 13,322           |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 230%.

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- <sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 387%.
- <sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 207%.
- <sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 184%.
- <sup>9</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 0%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Strategic Bond Trust (BHD)

|  | Year Ended August 31, |                   |                   |                   | Period<br>November<br>1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31,<br>2007 |
|--|-----------------------|-------------------|-------------------|-------------------|---|-----------------------------------|
|  | 2012                  | 2011              | 2010              | 2009              |   |                                   |
| <b>Per Share Operating Performance</b>   |                       |                   |                   |                   |   |                                   |
| Net asset value, beginning of period   | \$ 13.48              | \$ 13.57          | \$ 12.12          | \$ 12.76          | \$ 13.80  | \$ 13.83                          |
| Net investment income  | 0.99 <sup>1</sup>     | 1.06 <sup>1</sup> | 1.01 <sup>1</sup> | 0.93 <sup>1</sup> | 0.76 <sup>1</sup>   | 0.95                              |
| Net realized and unrealized gain (loss)  | 1.01                  | (0.04)            | 1.35              | (0.69)            | (1.03)  | (0.06)                            |
| Net increase (decrease) from investment operations   | 2.00                  | 1.02              | 2.36              | 0.24              | (0.27)  | 0.89                              |
| Dividends and distributions from net investment income   | (1.08)                | (1.11)            | (0.91)            | (0.88)            | (0.77)  | (0.92)                            |
| Net asset value, end of period   | \$ 14.40              | \$ 13.48          | \$ 13.57          | \$ 12.12          | \$ 12.76  | \$ 13.80                          |
| Market price, end of period  | \$ 14.52              | \$ 12.93          | \$ 13.17          | \$ 11.43          | \$ 10.85  | \$ 11.88                          |
| <b>Total Investment Return<sup>2</sup></b>   |                       |                   |                   |                   |   |                                   |
| Based on net asset value   | 15.66%                | 8.09%             | 20.38%            | 3.99%             | (1.19)% <sup>3</sup>                                      | 7.26%                             |
| Based on market price  | 21.58%                | 6.83%             | 23.88%            | 15.34%            | (2.40)% <sup>3</sup>                                      | (0.62)%                           |
| <b>Ratios to Average Net Assets</b>  |                       |                   |                   |                   |   |                                   |
| Total expenses   | 1.45%                 | 1.52%             | 1.13%             | 1.00%             | 0.93% <sup>4</sup>  | 1.45%                             |
| Total expenses after fees waived and before fees paid indirectly                                 | 1.45%                 | 1.51%             | 1.11%             | 0.92%             | 0.82% <sup>4</sup>  | 1.27%                             |
| Total expenses after fees waived and paid indirectly   | 1.45%                 | 1.51%             | 1.11%             | 0.92%             | 0.82% <sup>4</sup>  | 1.27%                             |
| Total expenses after fees waived and paid indirectly and excluding interest expense <sup>5</sup> | 1.24%                 | 1.26%             | 1.04%             | 0.92%             | 0.81% <sup>4</sup>  | 0.87%                             |
| Net investment income  | 7.15%                 | 7.59%             | 7.77%             | 8.67%             | 6.85% <sup>4</sup>  | 6.86%                             |
| <b>Supplemental Data</b>   |                       |                   |                   |                   |   |                                   |
| Net assets, end of period (000)  | \$ 101,724            | \$ 95,127         | \$ 95,794         | \$ 85,581         | \$ 90,092   | \$ 97,410                         |
| Borrowings outstanding, end of period (000)  | \$ 30,000             | \$ 24,000         | \$ 12,000         |                   | \$ 1,571  | \$ 413                            |
| Average borrowings outstanding during the period (000)   | \$ 22,089             | \$ 22,696         | \$ 5,701          | \$ 303            | \$ 391  | \$ 7,240                          |
| Portfolio turnover   | 47%                   | 72%               | 83%               | 61%               | 27%   | 34%                               |
| Asset coverage, end of period per \$1,000  | \$ 4,391              | \$ 4,964          | \$ 8,983          |                   | \$ 58,347   | \$ 236,789                        |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.14%.

See Notes to Financial Statements.

## Notes to Financial Statements

### 1. Organization and Significant Accounting Policies:

BlackRock Core Bond Trust ( BHK ), BlackRock Corporate High Yield Fund V, Inc. ( HYV ), BlackRock Corporate High Yield Fund VI, Inc. ( HYT ), BlackRock High Income Shares ( HIS ), BlackRock High Yield Trust ( BHY ), BlackRock Income Opportunity Trust, Inc. ( BNA ), BlackRock Income Trust, Inc. ( BKT ) and BlackRock Strategic Bond Trust ( BHD ) (collectively, the Trusts ) are registered under the 1940 Act, as diversified, closed-end management investment companies. HYV, HYT, BNA and BKT are organized as Maryland corporations. BHK, BHY and BHD are organized as Delaware statutory trusts. HIS is organized as a Massachusetts business trust. The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Boards of Directors and Boards of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board, and the directors/trustees thereof are collectively referred to throughout this report as Trustees. The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

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

**Basis of Consolidation:** The accompanying consolidated financial statements of HYV and HYT include the accounts of BLK HYV (Luxembourg) Investments, S.a.r.l. and BLK HYT (Luxembourg) Investments, S.a.r.l. (the Taxable Subsidiaries ), a wholly owned taxable subsidiary of each Trust which holds shares of private Canadian companies. Such shares are held in the Taxable Subsidiaries in order to realize benefits under the Double Tax Avoidance Convention between Canada and Luxembourg, the result of which is gains on the sale of such shares will not be subject to capital gains taxes in Canada. Income earned on the investments held by the Taxable Subsidiary may be taxable to such subsidiaries in Luxembourg. An income tax provision for all income, including realized and unrealized gains, if any, is reflected as either a reduction in investment income or as a component of realized and unrealized gain (loss) on the Consolidated Statements of Operations. Intercompany accounts and transactions have been eliminated. The Taxable Subsidiaries are subject to the same investment policies and restrictions that apply to the Trusts.

**Valuation:** US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The Global Valuation Committee is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Trusts for all financial instruments.

The Trusts value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. To-be-announced ( TBA ) commitments are valued on the basis of last available bid prices or current market quotations provided by pricing services. Swap agreements are valued utilizing quotes received daily by the Trusts' pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System ( NASDAQ ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

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Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange ( NYSE ). Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

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### Notes to Financial Statements (continued)

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter (OTC) options and swaptions are valued by an independent pricing service using a mathematical model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arms-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant consistent with the principles of fair value measurement which include the market approach, income approach and/or cost approach, as appropriate. A market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and adjusted for liquidity as appropriate. These factors include but are not limited to (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Trusts' pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of the Trusts' net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to affect the value of such instruments materially, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Global Valuation Committee using a pricing service and/or policies approved by the Board.

**Foreign Currency:** The Trusts' books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the US dollar rises in value against a foreign currency, the Trusts' investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Trusts do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated on the Statements of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. The Trusts report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

**Asset-Backed and Mortgage-Backed Securities:** Certain Trusts may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. If the Trust has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

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Certain Trusts may purchase certain mortgage pass-through securities (the Mortgage Assets ). There are a number of important differences among the agencies and instrumentalities of the US government that issue mortgage-related securities and among the securities that they issue. For example,

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**Notes to Financial Statements (continued)**

mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed Mortgage Pass-Through Certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States but are supported by the right of the issuer to borrow from the Treasury.

**Collateralized Debt Obligations:** Certain Trusts may invest in collateralized debt obligations ( CDOs ), which include collateralized bond obligations ( CBOs ) and collateralized loan obligations ( CLOs ). CBOs and CLOs are types of asset-backed securities. A CDO is a bankruptcy remote entity which is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called tranches, which will vary in risk profile and yield. The riskiest segment is the subordinated or equity tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a senior tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

**Multiple Class Pass-Through Securities:** Certain Trusts may invest in multiple class pass-through securities, including collateralized mortgage obligations ( CMOs ) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, US government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or Mortgage Assets, the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated pre-payments of principal, the Trusts may not fully recoup their initial investment in IOs.

**Stripped Mortgage-Backed Securities:** Certain Trusts may invest in stripped mortgage-backed securities issued by the US government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest (IOs) and principal (POs) distributions on a pool of Mortgage Assets. The Trusts also may invest in stripped mortgage-backed securities that are privately issued.

**Zero-Coupon Bonds:** Certain Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Capital Trusts:** Certain Trusts may invest in capital trusts. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities.

**Preferred Stock:** Certain Trusts may invest in preferred stocks. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption

provisions.

**Floating Rate Loan Interests:** Certain Trusts may invest in floating rate loan interests. The floating rate loan interests the Trusts hold are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Trusts may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined

### Notes to Financial Statements (continued)

by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as LIBOR, the prime rate offered by one or more US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Trusts consider these investments to be investments in debt securities for purposes of their investment policies.

When a Trust purchases a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. On an ongoing basis, the Trusts may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Trusts upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Trusts may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. The Trusts may invest in such loans in the form of participations in loans (Participations) or assignments (Assignments) of all or a portion of loans from third parties. Participations typically will result in the Trusts having a contractual relationship only with the lender, not with the borrower. The Trusts will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Trusts generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Trusts may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Trusts will assume the credit risk of both the borrower and the lender that is selling the Participation. The Trusts' investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Trusts may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Trusts having a direct contractual relationship with the borrower, and the Trusts may enforce compliance by the borrower with the terms of the loan agreement.

**Borrowed Bond Agreements:** Certain Trusts may enter into borrowed bond agreements. In a borrowed bond agreement, the Trusts borrow a bond from a counterparty in exchange for cash collateral with the commitment that the security and the cash will be returned to the counterparty and the Trusts, respectively, at a mutually agreed upon rate and date. Certain agreements have no stated maturity and can be terminated by either party at any time. Borrowed bond agreements are entered into primarily in connection with short sales of bonds. Earnings on cash collateral and compensation to the lender of the bond are based on agreed upon rates between the Trust and the counterparty. The value of the underlying cash collateral approximates the market value and accrued interest of the borrowed bond. To the extent that a borrowed bond transaction exceeds one business day, the value of the cash collateral in the possession of the counterparty is monitored on a daily basis to ensure the adequacy of the collateral. As the market value of the borrowed bond changes, the cash collateral is periodically increased or decreased with a frequency and in amounts prescribed in the borrowed bond agreement. Full realization of the collateral by the Trusts may be limited if the value of an investment purchased with the cash collateral by the lender decreases. The Trusts may also experience delays in gaining access to the collateral.

**Short Sales:** Certain Trusts may enter into short sale transactions in which the Trusts sell a security it does not hold in anticipation of a decline in the market price of that security. When the Trusts make a short sale, it will borrow the security sold short (borrowed bond) and deliver it to the counterparty to which it sold the security short. An amount equal to the proceeds received by the Trusts is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the market value of the short sale. The Trusts are required to repay the counterparty any interest received on the security sold short, which is shown as interest expense in the Statements of Operations. The Trusts may pay a fee on the assets borrowed from the counterparty, which is shown as stock loan fees in the Statements of Operations. The Trusts maintain a segregated account of securities or deposits cash with the broker-dealer as collateral for the short sales. The Trusts may receive interest on their cash collateral deposited with the broker-dealer. The Trusts are exposed to market risk based on the amount, if any, that the market value of the security increases beyond the market value at which the position was sold. Thus, a short sale of a security involves the risk that instead of declining, the price of the security sold short will rise. The short sale of securities involves the possibility of a theoretically unlimited loss since there is a theoretically unlimited potential for the market price of the security sold short to increase. A gain, limited to the price at which the Trusts sold the security short, or a loss, unlimited as to the dollar amount, will be recognized upon the termination of a short sale if the market price is greater or less than the proceeds originally received. There is no assurance the Trusts will be able to close out a short position at a particular time or at an acceptable price.

**Forward Commitments and When-Issued Delayed Delivery Securities:** Certain Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may

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fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

### Notes to Financial Statements (continued)

**TBA Commitments:** Certain Trusts may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. The Trusts generally enter into TBA commitments with the intent to take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

**Mortgage Dollar Roll Transactions:** Certain Trusts may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Trusts will not be entitled to receive interest and principal payments on the securities sold. The Trusts account for mortgage dollar roll transactions as purchases and sales and realize gains and losses on these transactions. These transactions may increase the Trusts' portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Trusts are required to purchase may decline below the agreed upon repurchase price of those securities.

**Treasury Roll Transactions:** Certain Trusts may enter into treasury roll transactions. In a treasury roll transaction, the Trusts sell a Treasury security to a counterparty with a simultaneous agreement to repurchase the same security at an agreed upon price and future settlement date. The Trusts receive cash from the sale of the Treasury security to use for other investment purposes. The difference between the sale price and repurchase price represents net interest income or net interest expense reflective of an agreed upon rate between the Trusts and the counterparty over the term of the borrowing. For US GAAP purposes, a treasury roll transaction is accounted for as a secured borrowing and not as a purchase or sale. During the term of the borrowing, interest income from the Treasury security and the related interest expense on the secured borrowing is recorded by the Trusts on an accrual basis. The Trusts will benefit from the transaction if the income earned on the investment purchased with the cash received in the treasury roll transaction exceeds the interest expense incurred by the Trusts. If the interest expense exceeds the income earned, the Trusts' net investment income and dividends to shareholders may be adversely impacted. Treasury roll transactions involve the risk that the market value of the securities that the Trusts are required to repurchase may decline below the agreed upon repurchase price of those securities.

**Reverse Repurchase Agreements:** Certain Trusts may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Trusts sell securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. Securities sold under reverse repurchase agreements are recorded as a liability in the Statements of Assets and Liabilities at face value including accrued interest. Due to the short term nature of the reverse repurchase agreements, face value approximates fair value. During the term of the reverse repurchase agreement, the Trusts continue to receive the principal and interest payments on these securities. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Trusts may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Trusts are obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Trusts' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Trusts' obligation to repurchase the securities.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g., dollar rolls, TBA sale commitments, financial futures contracts, foreign currency exchange contracts, swaps, short sales and options written), or certain borrowings (e.g., reverse repurchase agreements, treasury roll transactions and loan payable), the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trusts are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including

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amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis. Consent fees are compensation for agreeing to changes in the terms of debt instruments and are included in interest income in the Statements of Operations.

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Notes to Financial Statements (continued)

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. Distributions in excess of a Trust's taxable income and net capital gains, but not in excess of a Trust's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. Capital losses carried forward from years beginning before 2011 do not reduce earnings and profits, even if such carried forward losses offset current year realized gains. The portion of dividends and distributions that exceeds a Trust's current and accumulated earnings and profits, which are measured on a tax basis, may be treated as a tax return of capital. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

**Income Taxes:** It is each Trust's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Trusts' US federal tax returns remain open for each of the four years ended August 31, 2012. The statutes of limitations on the Trusts' state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Recent Accounting Standard:** In December 2011, the Financial Accounting Standards Board issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts' financial statement disclosures.

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

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Prior to March 31, 2012, each Trust elected to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees in order to match its deferred compensation obligations, and dividends and distributions received from the BlackRock Closed-End Fund investments through March 31, 2012 are included in income affiliated in the Statements of Operations.

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

The Trusts have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

**2. Derivative Financial Instruments:**

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and/or to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk, or foreign currency exchange rate risk. These contracts may be transacted on an exchange or OTC.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Trusts' maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Trusts bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Options written by the Trusts do not give rise to counterparty credit risk, as options written obligate the Trusts to perform and not the counterparty. Counterparty risk related to exchange-traded financial futures contracts,

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options and centrally cleared swaps is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

The Trusts may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. master agreement ( ISDA Master Agreement ) implemented between a Trust and each of its respective counterparties. An ISDA Master Agreement allows each Trust to offset with each separate counterparty certain derivative financial instrument s payables and/or receivables with collateral held. The amount of collateral moved to/from applicable counterparties is generally based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Trusts from their counterparties are not fully collateralized, contractually or otherwise, the Trusts bear the risk of loss from coun-terparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices. In addition, the Trusts manage counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Trusts net assets decline by a stated percentage or the Trusts fail to meet the terms of their ISDA Master Agreements, which would cause the Trusts to accelerate payment of any net liability owed to the counterparty.



### Notes to Financial Statements (continued)

**Financial Futures Contracts:** The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk), changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk). Financial futures contracts are agreements between the Trusts and counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest or foreign currency exchange rates and the underlying assets.

**Foreign Currency Exchange Contracts:** The Trusts enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Trusts, help to manage the overall exposure to the currencies in which some of the investments held by the Trusts are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Trusts as an unrealized gain or loss. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies and the risk that the counterparty to the contract does not perform its obligations under the agreement.

**Options:** The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk, foreign currency exchange rate risk and/or interest rate risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised), the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Trusts purchase (write) an option, an amount equal to the premium paid (received) by the Trusts is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Trusts enter into a closing transaction), the Trusts realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Trusts write a call option, such option is covered, meaning that the Trusts hold the underlying instrument subject to being called by the option counterparty. When the Trusts write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

Options on swaps (swaptions) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

The Trusts also purchase or sell listed or OTC foreign currency options, foreign currency futures and related options on foreign currency futures as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies (foreign currency exchange rate risk). When foreign currency is purchased or sold through an exercise of a foreign currency option, the related premium paid (or received) is added to (or deducted from) the basis of the foreign currency acquired or deducted from (or added to) the proceeds of the foreign currency sold. Such transactions may be effected with respect to hedges on non-US dollar denominated instruments owned by the Trusts but not yet delivered, or committed or anticipated to be purchased by the Trusts.

In purchasing and writing options, the Trusts bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Trusts may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Trusts purchasing or selling a security at a price different from the current market value.

**Swaps:** The Trusts enter into swap agreements, in which the Trust and a counterparty agree to either make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be executed on a registered financial and commodities exchange (centrally cleared swaps). In a centrally cleared swap, the Trusts typically enter into an agreement with a counterparty; however, performance is guaranteed by the central clearing-house reducing or eliminating the Trusts' exposure to

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the credit risk of the counterparty. These payments received or made by the Trusts are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps

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### Notes to Financial Statements (continued)

are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of centrally cleared swaps, if any, is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. When the swap is terminated, the Trusts will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trusts' basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

**Credit default swaps** The Trusts enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk). The Trusts enter into credit default swap agreements to provide a measure of protection against the default of an issuer (as buyer of protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). The Trusts may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, the Trusts will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Trusts will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

**Total return swaps** The Trusts enter into total return swaps to obtain exposure to a security or market without owning such security or investing directly in that market or to transfer the risk/return of one market (e.g., fixed income) to another market (e.g., equity) (equity risk and/or interest rate risk). Total return swaps are agreements in which there is an exchange of cash flows whereby one party commits to make payments based on the total return (coupons plus capital gains/losses) of an underlying instrument in exchange for fixed or floating rate interest payments. To the extent the total return of the instrument or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Trusts will receive a payment from or make a payment to the counterparty.

**Interest rate swaps** The Trusts enter into interest rate swaps to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

## Notes to Financial Statements (continued)

## Derivative Financial Instruments Categorized by Risk Exposure:

|   |  | Fair Values of Derivative Financial Instruments as of August 31, 2012 |              |              |          |            |              |               |            |
|---|--|---|--------------|--------------|----------|------------|--------------|---------------|------------|
|   |  | Asset Derivatives   |              |              |          |            |              |               |            |
| Statements of Assets and Liabilities Location |  | BHK   | HYV          | HYT          | HIS      | BHY        | BNA          | BKT           | BHD        |
|   |  | Value   |              |              |          |            |              |               |            |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized appreciation on swaps; Investments at value unaffiliated <sup>2</sup> | \$ 2,270,494  |              |              |          |            | \$ 2,299,895 | \$ 11,020,466 | \$ 187,819 |
| Foreign currency exchange contracts           | Unrealized appreciation on foreign currency exchange contracts   | 17,221  | \$ 44,136    | \$ 56,409    | \$ 5,847 | \$ 1,806   | 22,416       |               | 11,759     |
| Credit contracts                              | Unrealized appreciation on swaps   | 391,495   | 1,271,142    | 1,310,916    |          | 109,733    | 393,022      |               | 65,707     |
| Equity contracts                              | Investments at value unaffiliated <sup>2</sup>   | 271,612   |              |              |          |            | 271,612      |               |            |
| <b>Total</b>                                  |  | \$ 2,950,822  | \$ 1,315,278 | \$ 1,367,325 | \$ 5,847 | \$ 111,539 | \$ 2,986,945 | \$ 11,020,466 | \$ 265,285 |

|   |  | Liability Derivatives |              |              |            |            |               |               |            |
|---|--|-----------------------|--------------|--------------|------------|------------|---------------|---------------|------------|
| Statements of Assets and Liabilities Location |  | BHK                   | HYV          | HYT          | HIS        | BHY        | BNA           | BKT           | BHD        |
|   |  | Value                 |              |              |            |            |               |               |            |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized depreciation on swaps <sup>1</sup> ; Options written at value | \$ 11,103,297         |              |              |            |            | \$ 11,246,067 | \$ 13,825,936 | \$ 167,013 |
| Foreign currency exchange contracts           | Unrealized depreciation on foreign currency exchange contracts   | 354,755               | \$ 1,091,099 | \$ 1,148,537 | \$ 145,138 | \$ 52,731  | 303,654       |               | 174,501    |
| Credit contracts                              | Unrealized depreciation on swaps   | 63,087                | 93,281       | 97,701       |            | 11,189     | 63,173        |               | 1,467      |
| Equity contracts                              | Net unrealized appreciation/depreciation <sup>1</sup> ; Options written at value   | 114,598               | 840,806      | 879,524      | 260,417    | 87,001     | 114,598       |               |            |
| Other contracts                               | Unrealized depreciation on swaps   | 43,272                |              |              |            |            | 43,387        |               |            |
| <b>Total</b>                                  |  | \$ 11,679,009         | \$ 2,025,186 | \$ 2,125,762 | \$ 405,555 | \$ 150,921 | \$ 11,770,879 | \$ 13,825,936 | \$ 342,981 |

<sup>1</sup> Includes cumulative appreciation/depreciation of financial futures contracts and centrally cleared swaps as reported in the Schedules of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

<sup>2</sup> Includes options purchased at value as reported in the Schedules of Investments.



## Notes to Financial Statements (continued)

**The Effect of Derivative Financial Instruments in the Statements of Operations**  
**Year Ended August 31, 2012**

|                                      | Net Realized Gain (Loss) From |                   |                   |                   |                   |                     |                       |                   |
|--------------------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-----------------------|-------------------|
|                                      | BHK                           | HYV               | HYT               | HIS               | BHY               | BNA                 | BKT                   | BHD               |
| Interest rate contracts:             |                               |                   |                   |                   |                   |                     |                       |                   |
| Financial futures contracts          | \$ 2,535,026                  |                   |                   |                   |                   | \$ 2,514,467        | \$ (9,830,042)        | \$ (279,204)      |
| Swaps                                | (1,008,999)                   |                   |                   |                   |                   | (1,462,817)         | 1,830,628             | (9,438)           |
| Options <sup>1</sup>                 | 406,239                       | \$ 567,960        | \$ 635,830        |                   | \$ 2,850          | 1,022,589           | (42,580)              | (7,437)           |
| Floors                               |                               |                   |                   |                   |                   |                     | 440,833               |                   |
| Foreign currency exchange contracts: |                               |                   |                   |                   |                   |                     |                       |                   |
| Foreign currency transactions        | 1,654,821                     | 4,312,322         | 3,943,730         | \$ 776,629        | 127,931           | 1,319,141           |                       | 651,449           |
| Financial futures contracts          | 80,677                        |                   |                   |                   |                   | (55,985)            | (1,789)               |                   |
| Options <sup>1</sup>                 | (284,070)                     |                   |                   |                   |                   | (286,514)           |                       |                   |
| Credit contracts:                    |                               |                   |                   |                   |                   |                     |                       |                   |
| Swaps                                | 1,069,344                     | 26,485            | (1,690)           |                   | 418,010           | 1,069,799           |                       | 100,404           |
| Equity contracts:                    |                               |                   |                   |                   |                   |                     |                       |                   |
| Financial futures contracts          |                               | (4,013,355)       | (4,139,883)       | (351,168)         | 8,944             |                     |                       |                   |
| Options <sup>1</sup>                 |                               | (299,690)         | (305,960)         | (63,085)          |                   |                     |                       |                   |
| Other contracts:                     |                               |                   |                   |                   |                   |                     |                       |                   |
| Swaps                                | (20,943)                      | 147,613           | 155,017           |                   | 17,707            | (21,156)            |                       |                   |
| <b>Total</b>                         | <b>\$ 4,432,095</b>           | <b>\$ 741,335</b> | <b>\$ 287,044</b> | <b>\$ 362,376</b> | <b>\$ 575,442</b> | <b>\$ 4,099,524</b> | <b>\$ (7,602,950)</b> | <b>\$ 455,774</b> |

|                                      | Net Change in Unrealized Appreciation/Depreciation on |                     |                     |                     |                     |                       |                       |                     |
|--------------------------------------|---|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|
|                                      | BHK   | HYV                 | HYT                 | HIS                 | BHY                 | BNA                   | BKT                   | BHD                 |
| Interest rate contracts:             |   |                     |                     |                     |                     |                       |                       |                     |
| Financial futures contracts          | \$ 230,875  |                     |                     |                     |                     | \$ (138,050)          | \$ (4,582,177)        | \$ (39,016)         |
| Swaps                                | (2,067,599)   |                     |                     |                     |                     | (1,981,571)           | (3,606,318)           | (5,031)             |
| Options <sup>1</sup>                 | 1,186,691   |                     |                     |                     |                     | 996,263               | (45,921)              | 804                 |
| Floors                               |   |                     |                     |                     |                     |                       | (132,104)             |                     |
| Foreign currency exchange contracts: |   |                     |                     |                     |                     |                       |                       |                     |
| Foreign currency translations        | (323,912)   | \$ (907,433)        | \$ (945,166)        | \$ (106,696)        | \$ (50,925)         | (256,118)             |                       | (136,448)           |
| Options <sup>1</sup>                 | 135,731   |                     |                     |                     |                     | 135,962               |                       |                     |
| Credit contracts:                    |   |                     |                     |                     |                     |                       |                       |                     |
| Swaps                                | (1,465,644)   | 1,285,245           | 1,322,677           |                     | (33,661)            | (1,461,808)           |                       | 7,002               |
| Options <sup>1</sup>                 |   | 442,786             | 441,347             |                     |                     |                       |                       |                     |
| Equity contracts:                    |   |                     |                     |                     |                     |                       |                       |                     |
| Financial futures contracts          |   | 1,527,880           | 1,445,117           | (74,201)            | (87,001)            |                       |                       |                     |
| Options <sup>1</sup>                 | 1,964   | 138,691             | 145,791             |                     |                     | 1,964                 |                       |                     |
| Other contracts:                     |   |                     |                     |                     |                     |                       |                       |                     |
| Swaps                                | (43,272)  | (75,845)            | (79,649)            |                     | (9,012)             | (43,387)              |                       |                     |
| <b>Total</b>                         | <b>\$ (2,345,166)</b>                                 | <b>\$ 2,411,324</b> | <b>\$ 2,330,117</b> | <b>\$ (180,897)</b> | <b>\$ (180,599)</b> | <b>\$ (2,746,745)</b> | <b>\$ (8,366,520)</b> | <b>\$ (172,689)</b> |

<sup>1</sup> Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.



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Notes to Financial Statements (continued)

For the year ended August 31, 2012, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | BHK            | HYV           | HYT           | HIS          | BHY          | BNA            | BKT            | BHD           |
|--|----------------|---------------|---------------|--------------|--------------|----------------|----------------|---------------|
| <b>Financial futures contracts:</b>                    |                |               |               |              |              |                |                |               |
| Average number of contracts purchased                  | 473            |               |               |              |              | 417            | 701            | 104           |
| Average number of contracts sold                       | 985            | 251           | 268           | 47           | 105          | 1,098          | 2,456          | 71            |
| Average notional value of contracts purchased          | \$ 82,301,499  |               |               |              |              | \$ 75,561,028  | \$ 167,816,530 | \$ 17,324,354 |
| Average notional value of contracts sold               | \$ 173,289,403 | \$ 16,326,923 | \$ 17,458,743 | \$ 3,117,803 | \$ 447,068   | \$ 190,259,132 | \$ 345,297,583 | \$ 11,084,828 |
| <b>Foreign currency exchange contracts:</b>            |                |               |               |              |              |                |                |               |
| Average number of contracts US dollars purchased       | 17             | 12            | 12            | 3            | 2            | 17             |                | 5             |
| Average number of contracts US dollars sold            | 13             | 5             | 5             | 2            | 1            | 13             |                | 2             |
| Average US dollar amounts purchased                    | \$ 26,325,319  | \$ 42,189,090 | \$ 44,556,322 | \$ 7,453,583 | \$ 1,654,551 | \$ 23,975,916  |                | \$ 7,374,380  |
| Average US dollar amounts sold                         | \$ 11,264,688  | \$ 2,508,355  | \$ 2,424,661  | \$ 438,070   | \$ 97,708    | \$ 9,844,045   |                | \$ 42,529     |
| <b>Options:</b>  |                |               |               |              |              |                |                |               |
| Average number of option contracts purchased           | 11,327,182     | 873           | 903           | 256          | 3            | 11,344,048     | 184            | 10            |
| Average number of option contracts written             | 7,377,659      | 723           | 748           | 214          |              | 7,383,241      |                |               |
| Average notional value of option contracts purchased   | \$ 18,577,180  | \$ 11,372,000 | \$ 11,764,500 | \$ 3,424,500 | \$ 2,829     | \$ 18,596,841  | \$ 460,625     | \$ 9,157      |
| Average notional value of option contracts written     | \$ 12,602,655  | \$ 8,943,875  | \$ 9,253,750  | \$ 2,645,250 |              | \$ 12,608,246  |                |               |
| Average number of swaption contracts purchased         | 7              | 1             | 1             |              |              | 7              | 1              | 4             |
| Average number of swaption contracts written           | 20             | 1             | 1             |              | 1            | 21             | 1              | 3             |
| Average notional value of swaption contracts purchased | \$ 78,870,299  | \$ 3,750,000  | \$ 3,750,000  |              |              | \$ 78,995,299  | \$ 6,200,000   | \$ 5,413,045  |
| Average notional value of swaption contracts written   | \$ 322,850,000 | \$ 7,668,750  | \$ 8,188,750  |              | \$ 47,500    | \$ 324,525,000 | \$ 11,100,000  | \$ 3,550,000  |
| <b>Credit default swaps:</b>                           |                |               |               |              |              |                |                |               |
| Average number of contracts buy protection             | 8              | 10            | 10            |              | 8            | 8              |                | 4             |
| Average number of contracts sell protection            | 12             | 14            | 14            |              | 10           | 12             |                | 8             |
| Average notional value buy protection                  | \$ 9,598,710   | \$ 8,895,674  | \$ 9,287,633  |              | \$ 609,250   | \$ 9,608,791   |                | \$ 1,053,750  |
| Average notional value sell protection                 | \$ 5,768,332   | \$ 14,707,500 | \$ 15,087,500 |              | \$ 1,876,250 | \$ 5,803,333   |                | \$ 1,170,680  |
| <b>Interest rate swaps:</b>                            |                |               |               |              |              |                |                |               |
| Average number of contracts pays fixed rate            | 11             |               |               |              |              | 10             | 7              | 3             |
| Average number of contracts receives fixed rate        | 9              |               |               |              |              | 9              | 9              | 1             |
| Average notional value pays fixed rate                 | \$ 49,032,507  |               |               |              |              | \$ 50,088,970  | \$ 169,215,000 | \$ 3,825,000  |
| Average notional value receives fixed rate             | \$ 73,008,156  |               |               |              |              | \$ 74,953,401  | \$ 160,538,300 | \$ 4,700,000  |
| <b>Total return swaps:</b>                             |                |               |               |              |              |                |                |               |
| Average number of contracts                            | 1              |               |               |              |              | 1              |                |               |
| Average notional value                                 | \$ 1,880,000   |               |               |              |              | \$ 1,885,000   |                |               |

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ) is the largest stockholder and an affiliate, for 1940 Act purposes, of BlackRock, Inc. ( BlackRock ).

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager ), the Trusts investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory services for each Trust and administration services for BHK, HYV, HYT, HIS and BHD.



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The following Trusts' investment advisory fee paid to the Manager is computed weekly and payable monthly based on an annual rate of each Trust's average total assets (including any assets attributable to borrowings) minus the sum of total liabilities (other than debt representing financial leverage):

|     |   |
|-----|---|
| BHK | 0.55%   |
| HIS | 0.75% of the first<br>\$200 million and<br>0.50% thereafter |
| BHY | 0.90%   |
| BHD | 0.75%   |

The following Trusts' investment advisory fee paid to the Manager is computed daily and payable monthly on an annual rate of each Trust's average total assets (including any assets attributable to borrowings) minus the sum of total liabilities (other than debt representing financial leverage):

|     |       |
|-----|-------|
| HYV | 0.60% |
| HYT | 0.70% |

The following Trusts' investment advisory fee paid to the Manager is computed weekly and payable monthly based on an annual rate of each Trust's average net assets:

|     |       |
|-----|-------|
| BNA | 0.60% |
| BKT | 0.65% |

BHY, BNA and BKT each have an Administration Agreement with the Manager. The administration fee paid to the Manager is computed weekly and payable monthly based on an annual rate, 0.10% for BNA, and 0.15% for BKT, of each Trust's average net assets and 0.10% for BHY of the Trust's average weekly total assets.

Notes to Financial Statements (continued)

Effective June 1, 2012, the Manager voluntarily agreed to waive a portion of investment advisory fee with respect to BHK at an annual rate of 0.03%, as a percentage of average weekly net assets. This voluntary waiver may be reduced or discontinued at any time without notice. For the year ended August 31, 2012, the Manager waived the following amount, which is included in fees waived by Manager in the Statements of Operations:

BHK \$ 43,292  
 The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Trust's investment in other affiliated investment companies, if any. These amounts are included in fees waived by Manager in the Statements of Operations. For the year ended August 31, 2012, the amounts waived were as follows:

|     |          |
|-----|----------|
| BHK | \$ 1,900 |
| HYV | \$ 560   |
| HYT | \$ 605   |
| HIS | \$ 358   |
| BHY | \$ 274   |
| BNA | \$ 2,194 |
| BKT | \$ 5,174 |
| BHD | \$ 317   |

The Manager provides investment management and other services to the Taxable Subsidiaries. The Manager does not receive separate compensation from the Taxable Subsidiaries for providing investment management or administrative services. However, each Trust pays the Manager based on the Trust's net assets which includes the assets of the Taxable Subsidiaries.

The Manager entered into a separate sub-advisory agreement with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager with respect to BHK, HYV, HYT, HIS, and BHD. The Manager pays BFM, for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Trust to the Manager.

Certain officers and/or Trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for a portion of the compensation paid to the Trusts' Chief Compliance Officer.

**4. Investments:**

Purchases and sales of investments including paydowns, mortgage dollar roll and TBA transactions and excluding short-term securities and US government securities for the year ended August 31, 2012 were as follows:

|     | Purchases        | Sales            |
|-----|------------------|------------------|
| BHK | \$ 800,256,616   | \$ 728,545,394   |
| HYV | \$ 380,608,670   | \$ 326,326,484   |
| HYT | \$ 396,858,097   | \$ 338,721,092   |
| HIS | \$ 106,749,661   | \$ 93,979,209    |
| BHY | \$ 45,550,402    | \$ 32,712,501    |
| BNA | \$ 812,428,173   | \$ 765,326,104   |
| BKT | \$ 2,796,139,329 | \$ 2,896,610,840 |
| BHD | \$ 57,116,026    | \$ 53,543,361    |

Purchases and sales of US government securities, for the year ended August 31, 2012 were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| BHK | \$ 821,284,505 | \$ 853,663,620 |
| BNA | \$ 803,189,252 | \$ 806,472,859 |

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|     |                  |                  |
|-----|------------------|------------------|
| BKT | \$ 1,083,252,576 | \$ 1,103,958,530 |
| BHD | \$ 3,455,391     | \$ 2,438,248     |

For the year ended August 31, 2012, purchases and sales of mortgage dollar rolls were as follows:

|     | <b>Purchases</b> | <b>Sales</b>     |
|-----|------------------|------------------|
| BHK | \$ 289,098,633   | \$ 289,445,908   |
| BNA | \$ 295,719,125   | \$ 296,083,283   |
| BKT | \$ 2,045,020,139 | \$ 2,047,518,910 |

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Notes to Financial Statements (continued)

Transactions in options written for the year ended August 31, 2012, were as follows:

|  | Contracts | Calls<br>Notional<br>(000) | Premiums<br>Received | Contracts | Puts<br>Notional<br>(000) | Premiums<br>Received |
|--|-----------|----------------------------|----------------------|-----------|---------------------------|----------------------|
| <b>BHK</b>                             |           |                            |                      |           |                           |                      |
| Outstanding options, beginning of year |           | \$ 63,300                  | \$ 2,441,442         | 538       | \$ 86,985                 | \$ 2,818,041         |
| Options written                        | 732       | 324,957                    | 8,484,362            | 10,063    | 1,141,177                 | 13,495,114           |
| Options expired                        | (256)     | (35,376)                   | (519,405)            | (751)     | (89,966)                  | (1,286,801)          |
| Options exercised                      | (210)     | (19,981)                   | (340,414)            |           | (26,566)                  | (1,075,649)          |
| Options closed                         | (266)     | (158,600)                  | (6,307,501)          | (350)     | (877,530)                 | (8,976,290)          |
| Outstanding options, end of year       |           | \$ 174,300                 | \$ 3,758,484         | 9,500     | \$ 234,100                | \$ 4,974,415         |

|  |         |           |            |         |           |             |
|--|---------|-----------|------------|---------|-----------|-------------|
| <b>HYV</b>                             |         |           |            |         |           |             |
| Outstanding options, beginning of year |         | \$ 24,175 | \$ 296,835 | 664     | \$ 26,475 | \$ 688,420  |
| Options written                        | 1,350   | 7,000     | 422,017    | 10,665  | 8,675     | 1,041,204   |
| Options expired                        |         | (17,175)  | (72,135)   | (2,625) | (21,150)  | (546,704)   |
| Options exercised                      |         |           |            | (664)   |           | (23,620)    |
| Options closed                         | (1,350) | (14,000)  | (646,717)  | (8,040) | (14,000)  | (1,159,300) |
| Outstanding options, end of year       |         |           |            |         |           |             |

|  |         |           |            |         |           |             |
|--|---------|-----------|------------|---------|-----------|-------------|
| <b>HYT</b>                             |         |           |            |         |           |             |
| Outstanding options, beginning of year |         | \$ 26,025 | \$ 332,505 | 698     | \$ 27,700 | \$ 741,030  |
| Options written                        | 1,433   | 8,000     | 469,894    | 11,056  | 9,755     | 1,113,648   |
| Options expired                        |         | (18,025)  | (75,705)   | (2,733) | (21,455)  | (559,824)   |
| Options exercised                      |         |           |            | (698)   |           | (24,830)    |
| Options closed                         | (1,433) | (16,000)  | (726,694)  | (8,323) | (16,000)  | (1,270,024) |
| Outstanding options, end of year       |         |           |            |         |           |             |

|  |       |  |           |         |  |            |
|--|-------|--|-----------|---------|--|------------|
| <b>HIS</b>                             |       |  |           |         |  |            |
| Outstanding options, beginning of year |       |  |           |         |  |            |
| Options written                        | 417   |  | \$ 47,111 | 3,144   |  | \$ 216,097 |
| Options expired                        |       |  |           | (772)   |  | (60,723)   |
| Options closed                         | (417) |  | (47,111)  | (2,372) |  | (155,374)  |
| Outstanding options, end of year       |       |  |           |         |  |            |

|  |       |            |              |        |            |              |
|--|-------|------------|--------------|--------|------------|--------------|
| <b>BNA</b>                             |       |            |              |        |            |              |
| Outstanding options, beginning of year |       | \$ 61,300  | \$ 2,208,194 | 539    | \$ 85,015  | \$ 2,585,615 |
| Options written                        | 732   | 324,839    | 8,489,189    | 10,062 | 1,141,787  | 13,500,808   |
| Options expired                        | (257) | (35,457)   | (521,077)    | (752)  | (93,376)   | (1,417,561)  |
| Options exercised                      | (209) | (23,282)   | (469,163)    |        | (26,586)   | (1,076,634)  |
| Options closed                         | (266) | (153,500)  | (5,952,916)  | (349)  | (873,140)  | (8,622,941)  |
| Outstanding options, end of year       |       | \$ 173,900 | \$ 3,754,227 | 9,500  | \$ 233,700 | \$ 4,969,287 |

|  |       |           |            |       |           |            |
|--|-------|-----------|------------|-------|-----------|------------|
| <b>BKT</b>                             |       |           |            |       |           |            |
| Outstanding options, beginning of year |       | \$ 11,100 | \$ 353,258 | 247   | \$ 11,100 | \$ 448,653 |
| Options written                        | 817   |           | 310,819    | 995   |           | 315,965    |
| Options expired                        | (545) |           | (165,290)  | (333) |           | (128,259)  |
| Options exercised                      | (20)  |           | (3,050)    |       |           |            |
| Options closed                         | (252) | (11,100)  | (495,737)  | (909) | (11,100)  | (636,359)  |
| Outstanding options, end of year       |       |           |            |       |           |            |

|  |  |          |           |  |          |           |
|--|--|----------|-----------|--|----------|-----------|
| <b>BHD</b>                             |  |          |           |  |          |           |
| Outstanding options, beginning of year |  |          |           |  |          |           |
| Options written                        |  | \$ 2,300 | \$ 17,900 |  | \$ 6,700 | \$ 80,330 |

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|                                  |          |           |          |           |
|----------------------------------|----------|-----------|----------|-----------|
| Options expired                  |          |           |          |           |
| Options exercised                |          |           |          |           |
| Options closed                   |          |           | (2,400)  | (11,160)  |
| Outstanding options, end of year | \$ 2,300 | \$ 17,900 | \$ 4,300 | \$ 69,170 |

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## Notes to Financial Statements (continued)

**5. Income Tax Information:**

US GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of August 31, 2012 attributable to the accounting for swap agreements, amortization methods on fixed income securities, foreign currency transactions, the expiration of capital loss carryforwards, the classification of settlement proceeds and income recognized from pass-through entities were reclassified to the following accounts:

|   | BHK            | HYV            | HYT            | HIS            | BHY          | BNA          | BKT          | BHD          |
|---|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|
| Paid-in capital   |                |                | \$ 21          | \$ (2,339,285) | \$ (359,355) |              |              | \$ (7)       |
| Undistributed net investment income                             | \$ 2,249,842   | \$ 4,746,848   | \$ 4,324,947   | \$ 430,354     | \$ 262,400   | \$ 271,013   | \$ 896,424   | \$ 705,040   |
| Undistributed net realized gain (accumulated net realized loss) | \$ (2,249,842) | \$ (4,746,848) | \$ (4,324,968) | \$ 1,908,931   | \$ 96,955    | \$ (271,013) | \$ (896,424) | \$ (705,033) |

The tax character of distributions paid during the fiscal years ended August 31, 2012 and August 31, 2011 was as follows:

|                       |         | BHK           | HYV           | HYT           | HIS           | BHY          | BNA           | BKT           | BHD          |
|-----------------------|---------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Ordinary income       | 8/31/12 | \$ 22,212,928 | \$ 35,208,709 | \$ 36,599,844 | \$ 11,172,280 | \$ 3,374,830 | \$ 22,258,816 | \$ 30,308,765 | \$ 7,652,086 |
|                       | 8/31/11 | 23,726,515    | 35,008,792    | 35,241,068    | 11,407,404    | 3,278,764    | 22,287,310    | 21,772,433    | 7,845,469    |
| Tax return of capital | 8/31/12 |               |               |               |               |              |               |               |              |
|                       | 8/31/11 |               |               |               |               | 76,404       |               |               |              |
| <b>Total</b>          | 8/31/12 | \$ 22,212,928 | \$ 35,208,709 | \$ 36,599,844 | \$ 11,172,280 | \$ 3,374,830 | \$ 22,258,816 | \$ 30,308,765 | \$ 7,652,086 |
|                       | 8/31/11 | \$ 23,726,515 | \$ 35,008,792 | \$ 35,241,068 | \$ 11,407,404 | \$ 3,355,168 | \$ 22,287,310 | \$ 21,772,433 | \$ 7,845,469 |

As of August 31, 2012, the tax components of accumulated earnings (losses) were as follows:

|   | BHK           | HYV             | HYT             | HIS             | BHY             | BNA           | BKT           | BHD          |
|---|---------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|--------------|
| Undistributed ordinary income           | \$ 7,179,584  | \$ 8,278,405    | \$ 8,986,591    | \$ 2,167,616    | \$ 276,258      | \$ 5,282,247  | \$ 8,501,259  | \$ 915,305   |
| Capital loss carryforwards              | (13,142,723)  | (77,179,413)    | (92,270,895)    | (38,740,870)    | (14,071,529)    | (22,808,791)  |               | (4,815,182)  |
| Net unrealized gains <sup>1</sup>       | 38,360,013    | 15,063,691      | 14,813,038      | 2,604,619       | 2,500,489       | 40,048,272    | 22,408,942    | 7,270,283    |
| Qualified late-year losses <sup>2</sup> |               |                 | (1,698,041)     | (737,468)       |                 |               | (1,600,629)   | (146,814)    |
| <b>Total</b>                            | \$ 32,396,874 | \$ (53,837,317) | \$ (70,169,307) | \$ (34,706,103) | \$ (11,294,782) | \$ 22,521,728 | \$ 29,309,572 | \$ 3,223,592 |

<sup>1</sup> The differences between book-basis and tax-basis net unrealized gains was attributable primarily to the tax deferral of losses on wash sales, amortization methods for premiums and discounts on fixed income securities, the accrual of income on securities in default, the realization for tax purposes of unrealized gains/losses on certain futures and foreign currency contracts, the realization for tax purposes of unrealized gains on investments in passive foreign investment companies, the timing and recognition of partnership income, the deferral of compensation to trustees, the classification of settlement proceeds and the accounting for swap agreements.

<sup>2</sup> The Trusts have elected to defer certain qualified late-year losses and recognize such losses in the year ending August 31, 2013. As of August 31, 2012, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires August 31, | BHK | HYV | HYT | HIS          | BHY          | BNA | BHD |
|--------------------|-----|-----|-----|--------------|--------------|-----|-----|
| 2014               |     |     |     | \$ 7,043,976 | \$ 2,060,533 |     |     |
| 2015               |     |     |     |              | 2,467,772    |     |     |

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|                                 |               |               |               |               |               |               |              |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 2016                            | \$ 5,726,723  |               |               | 10,829,322    | 2,039,760     | \$ 4,475,065  | \$ 49,487    |
| 2017                            | 7,416,000     | \$ 25,473,528 | \$ 31,939,528 | 3,140,056     | 916,541       | 7,369,088     | 930,008      |
| 2018                            |               | 45,786,653    | 54,927,764    | 15,169,557    | 5,191,260     | 10,964,638    | 3,835,687    |
| 2019                            |               |               |               |               | 737,843       |               |              |
| No expiration date <sup>3</sup> |               | 5,919,232     | 5,403,603     | 2,557,959     | 657,820       |               |              |
| <b>Total</b>                    | \$ 13,142,723 | \$ 77,179,413 | \$ 92,270,895 | \$ 38,740,870 | \$ 14,071,529 | \$ 22,808,791 | \$ 4,815,182 |

<sup>3</sup> Must be utilized prior to losses subject to expiration.

During the year ended August 31, 2012, the Trusts listed below utilized the following amounts of their respective capital loss carryforward:

|     |               |
|-----|---------------|
| BHK | \$ 11,081,061 |
| BNA | \$ 8,754,212  |
| BHD | \$ 579,124    |

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Notes to Financial Statements (continued)

As of August 31, 2012 gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               | BHK            | HYV            | HYT            | HIS            | BHY           | BNA            | BKT            | BHD            |
|-------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| Tax cost                      | \$ 575,452,071 | \$ 570,814,818 | \$ 595,622,184 | \$ 160,555,430 | \$ 62,860,208 | \$ 577,303,603 | \$ 862,264,138 | \$ 120,940,890 |
| Gross unrealized appreciation | \$ 46,321,109  | \$ 33,725,351  | \$ 34,004,904  | \$ 7,408,411   | \$ 3,510,792  | \$ 48,090,293  | \$ 45,427,525  | \$ 9,062,332   |
| Gross unrealized depreciation | (7,363,534)    | (20,307,295)   | (20,877,274)   | (4,745,287)    | (1,126,317)   | (7,393,715)    | (20,955,004)   | (1,713,206)    |
| Net unrealized appreciation   | \$ 38,957,575  | \$ 13,418,056  | \$ 13,127,630  | \$ 2,663,124   | \$ 2,384,475  | \$ 40,696,578  | \$ 24,472,521  | \$ 7,349,126   |

**6. Borrowings:**

HYV, HYT, HIS, BHY and BHD entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). The Trusts have granted a security interest in substantially all of their assets to SSB. The SSB Agreement allowed for the following maximum commitment amounts:

|     | Commitment Amounts |
|-----|--------------------|
| HYV | \$ 204,500,000     |
| HYT | \$ 213,800,000     |
| HIS | \$ 63,600,000      |
| BHY | \$ 23,000,000      |
| BHD | \$ 50,200,000      |

Prior to March 2, 2012, advances were made by SSB to the Trusts, at the Trusts' option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above the 7-day, 30-day, 60-day or 90-day LIBOR.

Effective March 2, 2012, advances were made by SSB to the Trusts, at the Trusts' option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% above the 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, the Trusts pay a facility fee and a commitment fee based upon SSB's total commitment to the Trusts. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Trusts as of August 31, 2012 are shown in the Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

The Trusts may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short-term borrowings is less than 300%.

For the year ended August 31, 2012, the daily weighted average interest rates for Trusts with loans under the revolving credit agreements were as follows:

|                  | Daily Weighted Average Interest Rate |
|------------------|--------------------------------------|
| HYV              | 0.94%                                |
| HYT              | 0.94%                                |
| HIS              | 0.94%                                |
| BHY              | 0.94%                                |
| BHD <sup>1</sup> | 0.94%                                |



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<sup>1</sup> Includes treasury roll transactions.

For the year ended August 31, 2012, the daily weighted average interest rates for Trusts with borrowings from reverse repurchase agreements and treasury roll transactions were as follows:

|     | <b>Daily<br/>Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| BHK | 0.21%   |
| BNA | 0.20%   |
| BKT | 0.18%   |

### 7. Commitments:

Certain Trusts may invest in floating rate loan interests. In connection with these investments, the Trusts may also enter into bridge loan commitments ( commitments ). Bridge loan commitments may obligate the Trusts to furnish temporary financing to a borrower until permanent financing can be arranged. As of August 31, 2012, the Trusts had outstanding bridge loan commitments as follows:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| HYV | \$ 970,000                    |
| HYT | \$ 1,015,000                  |
| HIS | \$ 285,000                    |
| BHY | \$ 110,000                    |
| BHD | \$ 235,000                    |

In connection with these commitments, the Trusts earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. Commitment fees received in advance and unrecognized are recorded on the Statements of Assets and Liabilities as deferred income.

## Notes to Financial Statements (concluded)

**8. Concentration, Market and Credit Risk:**

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Trusts.

Certain Trusts invest a significant portion of their assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Please see the Schedules of Investments for these securities. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

**9. Capital Share Transactions:**

BHK, BHY and BHD are authorized to issue an unlimited number of shares, par value \$0.001, all of which were initially classified as Common Shares. BNA and BKT are authorized to issue 200 million shares, par value \$0.01, all of which were initially classified as Common Shares. HYV and HYT are authorized to issue 200 million shares, par value \$0.10, all of which were initially classified as Common Shares. HIS is authorized to issue an unlimited number of shares, no par value, all of which were initially classified as Common Shares. The Board is authorized, however, to reclassify any unissued shares without approve of Common Shareholders.

For the years shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

|     | Year<br>Ended<br>August 31,<br>2012 | Year<br>Ended<br>August 31,<br>2011 |
|-----|-------------------------------------|-------------------------------------|
| BHK | 4,404                               |                                     |
| HYV | 59,289                              |                                     |
| HYT | 85,180                              |                                     |
| HIS | 124,205                             |                                     |
| BHY | 2,000                               |                                     |
| BHD | 3,546                               |                                     |

Shares issued and outstanding remained constant during the year ended August 31, 2012 and the year ended August 31, 2011 for BNA and BKT.

**10. Subsequent Events:**

Management's evaluation of the impact of all subsequent events on the Trusts' financial statements was completed through the date the financial statements were issued and the following item was noted:

The Trusts paid a net investment income dividend in the following amounts per share on September 28, 2012 to shareholders of record on September 14, 2012:

|     | Common Dividend<br>Per Share |
|-----|------------------------------|
| BHK | \$ 0.0730                    |
| HYV | \$ 0.0900                    |

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|     |    |        |
|-----|----|--------|
| HYT | \$ | 0.0875 |
| HIS | \$ | 0.0152 |
| BHY | \$ | 0.0445 |
| BNA | \$ | 0.0570 |
| BKT | \$ | 0.0405 |
| BHD | \$ | 0.0845 |

Additionally, the Trusts declared a net investment income dividend on October 1, 2012 payable to shareholders of record on October 15, 2012 for the same amounts noted above.

Report of Independent Registered Public Accounting Firm

**To the Shareholders and Board of Trustees/Directors of  
BlackRock Core Bond Trust,  
BlackRock Corporate High Yield Fund V, Inc.,  
BlackRock Corporate High Yield Fund VI, Inc.,  
BlackRock High Income Shares,  
BlackRock High Yield Trust,  
BlackRock Income Opportunity Trust, Inc.,  
BlackRock Income Trust, Inc., and  
BlackRock Strategic Bond Trust:**

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of BlackRock Core Bond Trust, BlackRock High Income Shares, BlackRock High Yield Trust, BlackRock Income Opportunity Trust, Inc., BlackRock Income Trust, Inc., and BlackRock Strategic Bond Trust (collectively, the Trusts ) as of August 31, 2012, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented. We have also audited the consolidated statements of assets and liabilities, including the consolidated schedules of investments of BlackRock Corporate High Yield Fund V, Inc. and BlackRock Corporate High Yield Fund VI, Inc., (collectively, the Trusts ) as of August 31, 2012, and the related consolidated statements of operations and consolidated cash flows for the year then ended, the consolidated statements of changes in net assets for each of the two years in the period then ended, and the consolidated financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Trusts management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trusts are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting.

Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2012, by correspondence with the custodian, brokers, and agent banks; where replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of BlackRock Core Bond Trust, BlackRock High Income Shares, BlackRock High Yield Trust, BlackRock Income Opportunity Trust, Inc., BlackRock Income Trust, Inc., and BlackRock Strategic Bond Trust, the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and their financial highlights for each of the periods presented, and the consolidated financial positions of BlackRock Corporate High Yield Fund V, Inc. and BlackRock Corporate High Yield Fund VI, Inc., as of August 31, 2012, the consolidated results of their operations and their consolidated cash flows for the year then ended, the consolidated changes in their net assets for each of the two years in the period then ended, and their consolidated financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP  
Boston, Massachusetts  
October 26, 2012

**Important Tax Information (Unaudited)**

The following information is provided with respect to the ordinary income distributions paid during the fiscal year ended August 31, 2012.

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|   | Payable Dates  | BHK    | HYV    | HYT     | HIS    | BHY    | BNA    | BKT     | BHD    |
|---|----------------|--------|--------|---------|--------|--------|--------|---------|--------|
| Interest-Related Dividends and Qualified Short-Term Capital Gains for Non-US Residents <sup>1</sup> | September 2011 |        |        |         |        |        |        |         |        |
|   | January 2012   | 92.27% | 98.58% | 100.00% | 94.41% | 92.40% | 94.79% | 100.00% | 69.80% |
|   | February 2012  |        |        |         |        |        |        |         |        |
|   | August 2012    | 66.03% | 61.01% | 66.09%  | 70.48% | 73.65% | 73.86% | 91.88%  | 77.85% |
| Federal Obligation Interest <sup>2</sup>  | September 2011 |        |        |         |        |        |        |         |        |
|   | August 2012    | 9.59%  |        |         |        |        | 9.91%  | 8.95%   |        |

<sup>1</sup> Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

<sup>2</sup> The law varies in each state as to whether and what percentage of dividend income attributable to federal obligations is exempt from state income tax. We recommend that you consult your tax advisor to determine if any portion of the dividends you received is exempt from state income taxes.

### Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements

The Board of Directors or Trustees and as applicable (each, a Board, collectively, the Boards, and the members of which are referred to as Board Members) of BlackRock Core Bond Trust (BHK), BlackRock Corporate High Yield Fund V, Inc. (HYV), BlackRock Corporate High Yield Fund VI, Inc. (HYT), BlackRock High Income Shares (HIS), BlackRock High Yield Trust (BHY), BlackRock Income Opportunity Trust, Inc. (BNA), BlackRock Income Trust, Inc. (BKT) and BlackRock Strategic Bond Trust (BHD and together with BHK, HYV, HYT, HIS, BHY, BNA and BKT, each a Fund, and, collectively, the Funds) met on April 26, 2012 and May 22-23, 2012 to consider the approval of each Fund's investment advisory agreement (each, an Advisory Agreement) with BlackRock Advisors, LLC (the Manager), each Fund's investment advisor. The Board of each of HYV, HYT, HIS and BHD also considered the approval of the sub-advisory agreement (each, a Sub-Advisory Agreement) among the Manager, BlackRock Financial Management, Inc. (the Sub-Advisor), and its Fund. The Manager and the Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the Agreements.

### Activities and Composition of the Board

Each Board consists of eleven individuals, nine of whom are not interested persons of such Fund as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). The Board Members 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 Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of the Board is an Independent Board Member. Each Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee, and a Leverage Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

### The Agreements

Pursuant to the 1940 Act, the Boards are required to consider the continuation of the Agreements on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, and a fifth meeting to consider specific information surrounding the consideration of renewing the Agreements. In connection with this process, the Boards assessed, among other things, the nature, scope and quality of the services provided to the Funds by BlackRock, its personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, considered at each of their meetings, and from time to time as appropriate, factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-, three- and five-year periods, as applicable, against peer funds, and applicable benchmarks, if any, as well as senior management's and portfolio managers' analysis of the reasons for any over performance or underperformance against their peers and/or benchmark, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center and fund accounting; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Funds' investment objectives, policies and restrictions; (e) the Funds' compliance with their Code of Ethics and other 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 and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock's implementation of the Funds' valuation and liquidity procedures; (k) an analysis of management fees ratios for products with similar investment objectives across the open-end fund, closed-end fund and institutional account product channels, as applicable; (l) BlackRock's compensation methodology for its investment professionals and the incentives it creates; and (m) periodic updates on BlackRock's business.

The Boards have engaged in an ongoing strategic review with BlackRock of opportunities to consolidate funds and of BlackRock's commitment to investment performance. In addition, the Boards requested, to the extent reasonably possible, an analysis of the risk and return relative to selected funds in peer groups. BlackRock provides information to the Boards in response to specific questions. These questions covered issues such as profitability, including the impact of BlackRock's upfront costs in sponsoring closed-end funds and the relative profitability of closed-end and open end funds, investment performance and management fee levels. The Boards considered the importance of: (i) managing fixed income assets with a view toward preservation of capital; (ii) portfolio managers' investments in the funds they manage; (iii) BlackRock's controls surrounding the coding of quantitative investment models; and (iv) BlackRock's oversight of relationships with third party service providers.

### Board Considerations in Approving the Agreements

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**The Approval Process:** Prior to the April 26, 2012 meeting, the Boards requested and received materials specifically relating to the Agreements. The Boards are engaged in a process with its independent legal counsel and BlackRock to review periodically the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the April meeting included (a) information independently compiled and prepared by Lipper, Inc. ( Lipper ) on Fund fees and expenses and the investment performance of the Funds as compared with a peer group of funds as determined by Lipper (collectively, Peers ), as well as the gross investment performance of each of BHK, BNA, BKT and BHD as compared with its respective custom benchmark; (b) information on the profitability of the Agreements to BlackRock and a discussion of fall-out benefits to BlackRock and its affiliates; (c) a general analysis provided by BlackRock concerning investment management fees (a combination of the advisory fee and the administration fee, if any) charged to other clients, such as institutional clients and open-end funds, under similar investment mandates, as applicable; (d) the existence, impact and sharing of potential economies of scale; (e) a summary of aggregate amounts paid by each Fund to BlackRock

**Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)**

and (f) if applicable, a comparison of management fees to similar BlackRock closed-end funds, as classified by Lipper.

At an in-person meeting held on April 26, 2012, the Boards reviewed materials relating to their consideration of the Agreements. As a result of the discussions that occurred during the April 26, 2012 meeting, and as a culmination of the Boards' year-long deliberative process, the Boards presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the May 22-23, 2012 Board meeting.

At an in-person meeting held on May 22-23, 2012, each Board, including all the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund, and the Board of each of HYV, HYT, HIS and BHD, including all the Independent Board Members, unanimously approved the continuation of the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund, each for a one-year term ending June 30, 2013. In approving the continuation of the Agreements, the Boards considered: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Funds and BlackRock; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Funds; (d) economies of scale; (e) fall-out benefits to BlackRock as a result of its relationship with the Funds; and (f) other factors deemed relevant by the Board Members.

The Boards also considered other matters they deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending, services related to the valuation and pricing of Fund portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds and advice from independent legal counsel with respect to the review process and materials submitted for the Boards' review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as controlling, and each Board Member may have attributed different weights to the various items considered.

**A. Nature, Extent and Quality of the Services Provided by BlackRock:** The Boards, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of the Funds. Throughout the year, the Boards compared Fund performance to the performance of a comparable group of closed-end funds and/or the performance of a relevant benchmark, if any. The Boards met with BlackRock's senior management personnel responsible for investment operations, including the senior investment officers. Each Board also reviewed the materials provided by its Fund's portfolio management team discussing Fund performance and the Fund's investment objective, strategies and outlook.

The Boards considered, among other factors, the number, education and experience of BlackRock's investment personnel generally and their Funds' portfolio management teams, investments by portfolio managers in the funds they manage, BlackRock's portfolio trading capabilities, BlackRock's use of technology, BlackRock's commitment to compliance, BlackRock's credit analysis capabilities, BlackRock's risk analysis and oversight capabilities and BlackRock's approach to training and retaining portfolio managers and other research, advisory and management personnel. The Boards engaged in a review of BlackRock's compensation structure with respect to their Funds' portfolio management teams and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to advisory services, the Boards considered the quality of the administrative and non-investment advisory services provided to the Funds. BlackRock and its affiliates provide the Funds with certain services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) assisting with daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; and (viii) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock's fund administration, accounting, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

**B. The Investment Performance of the Funds and BlackRock:** The Boards, including the Independent Board Members, also reviewed and considered the performance history of their Funds. In preparation for the April 26, 2012 meeting, the Boards worked with its independent legal counsel, BlackRock and Lipper to develop a template for, and was provided with reports independently prepared by Lipper, which included a comprehensive analysis of each Fund's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper's rankings. In connection with their review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Fund as compared to funds in that Fund's



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applicable Lipper category, and with respect to BHK, BNA, BKT and BHD, the gross investment performance of each such Fund as compared with its respective custom benchmark. The Boards were provided with a description of the methodology used by Lipper to select peer funds and periodically meets with Lipper representatives to review their methodology. Each Board and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of its Fund throughout the year.

The Board of BHK noted that BHK's gross performance exceeded its customized benchmark during the three- and five-year periods reported, although performance for the one-year period reported underperformed the customized benchmark. The Board of BHK and BlackRock reviewed and discussed the reasons for BHK's underperformance during the one-year period and will monitor closely BHK's performance in the coming year. Based on its

**Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)**

discussions with BlackRock and the Board's review of BHK's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, BHK's Board noted that BHK's gross investment performance as compared to its customized benchmark provided a more meaningful comparison of BHK's relative performance.

The Board of each of HYV and HIS noted that, in general, its respective Fund performed better than its Peers in that the Fund's performance was at or above the median of its Lipper Performance Universe in the three- and five-year periods reported, although performance for the one-year period reported was below the median. The Boards of HYV and HIS and BlackRock reviewed and discussed the reasons for the Funds' underperformance during the one-year period and will monitor closely the Funds' performance in the coming year.

The Board of BHY noted that, in general, BHY performed better than its Peers in that BHY's performance was at or above the median of its Lipper Performance Universe in each of the one-, three- and five-year periods reported.

The Board of each of BKT and BHD noted that its respective Fund's gross performance exceeded its customized benchmark during each of the one-, three- and five-year periods reported. Based on its discussions with BlackRock and the Board's review of the Fund's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, the Board of each of BKT and BHD noted that its respective Fund's gross investment performance as compared to its customized benchmark provided a more meaningful comparison of the Fund's relative performance.

The Board of HYT noted that HYT performed below the median of its Lipper Performance Universe in the one- and five-year periods reported, but that HYT performed at or above the median of its Lipper Performance Universe in the three-year period reported. The Board of HYT and BlackRock reviewed and discussed the reasons for HYT's underperformance during the one- and five-year periods compared with its Peers. HYT's Board was informed that, among other things, over the one-year period, most of the underperformance came in the fourth quarter as risk markets rebounded from deeply oversold conditions reached in August and September. HYT's five-year period performance was largely led by holding a significant cash position as the market had a significant bounce in December of 2008.

The Board of BNA noted that BNA's gross performance underperformed its customized benchmark in the one- and five-year periods reported, but that BNA's gross performance exceeded its customized benchmark in the three-year period reported. Based on its discussions with BlackRock and the Board's review of BNA's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, the Board of BNA noted that BNA's gross investment performance as compared to its customized benchmark provided a more meaningful comparison of BNA's relative performance. The Board of BNA and BlackRock reviewed and discussed the reasons for BNA's underperformance during the one- and five-year periods compared with its customized benchmark. BNA's Board was informed that, among other things, BNA's performance continues to be impacted by the significant negative performance experienced in 2008 when BNA's overweight in spread assets, including asset-backed securities (ABS), mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS) proved to be detrimental. Detracting from performance in the one-year period was an underweight to U.S. Treasuries as they continued to be well bid, even in the face of strong returns in non-government debt securities.

The Boards of HYT and BNA and BlackRock discussed BlackRock's strategy for improving the Funds' performance and BlackRock's commitment to providing the resources necessary to assist the Funds' portfolio managers and to improve the Funds' performance.

**C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds:** Each Board, including the Independent Board Members, reviewed its Fund's contractual management fee rate compared with the other funds in its Lipper category. It also compared the Fund's total expense ratio, as well as actual management fee rate, to those of other funds in its Lipper category. The Boards considered the services provided and the fees charged by BlackRock to other types of clients with similar investment mandates, including separately managed institutional accounts.

The Boards received and reviewed statements relating to BlackRock's financial condition and profitability with respect to the services it provided the Funds. The Boards were also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Funds. The Boards reviewed BlackRock's profitability with respect to the Funds and other funds the Boards currently oversee for the year ended December 31, 2011 compared to available aggregate profitability data provided for the years ended December 31, 2010, and December 31, 2009. The Boards reviewed BlackRock's profitability with respect to other fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock's assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, expense allocations and business mix, and the difficulty of comparing profitability as a result of those factors.

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The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Boards considered BlackRock's overall operating margin, in general, compared to the operating margin for leading investment management firms whose operations include advising closed-end funds, among other product types. In addition, the Boards considered, among other things, certain third party data comparing BlackRock's operating margin with that of other publicly-traded asset management firms. The Boards considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

In addition, the Boards considered the cost of the services provided to the Funds by BlackRock, and BlackRock's and its affiliates' profits relating to the management of the Funds and the other funds advised by BlackRock and its affiliates. As part of its analysis, the Boards reviewed BlackRock's

**Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (concluded)**

methodology in allocating its costs to the management of the Funds. The Boards also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Boards.

The Board of each of BHK, HYV, HYT, BKT and BHD noted that its respective Fund's contractual management fee ratio (a combination of the advisory fee and the administration fee, if any) was lower than or equal to the median contractual management fee ratio paid by the Fund's Peers, in each case before taking into account any expense reimbursements or fee waivers.

The Board of BHK noted that after discussions between the Board, including the Independent Board Members, and BlackRock, BHK's Board and BlackRock agreed to a voluntary advisory fee reduction effective June 1, 2012.

The Board of HIS noted that the Fund's contractual management fee ratio (a combination of the advisory fee and the administration fee, if any) was lower than or equal to the median contractual management fee ratio paid by the Fund's Peers, in each case before taking into account any expense reimbursements or fee waivers. The Board of HIS also noted that HIS has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of HIS increases above certain contractually specified levels.

The Board of BHY noted that BHY's contractual management fee ratio (a combination of the advisory fee and the administration fee, if any) was above the median contractual management fee ratio paid by BHY's Peers, in each case before taking into account any expense reimbursements or fee waivers. BHY's Board also noted, however, that although BHY's contractual management fee ratio, after giving effect to any expense reimbursement or fee waivers by BlackRock, was above the median contractual management fee ratio of its Peers, the contractual management fee ratio was in the third quartile.

The Board of BNA noted that BNA's contractual management fee ratio (a combination of the advisory fee and the administration fee, if any) was above the median contractual management fee ratio paid by BNA's Peers, in each case before taking into account any expense reimbursements or fee waivers. BNA's Board also noted, however, that BNA's actual total expense ratio, after giving effect to any expense reimbursement or fee waivers by BlackRock, was reasonable relative to the median actual total expense ratio paid by BNA's Peers, after giving effect to any expense reimbursement or fee waivers.

**D. Economies of Scale:** Each Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its Fund increase. Each Board also considered the extent to which its Fund benefits from such economies and whether there should be changes in the advisory fee rate or structure in order to enable the Fund to participate in these economies of scale, for example through the use of breakpoints, and in the case of HIS, revised breakpoints, in the advisory fee based upon the asset level of the Fund.

Based on the Boards' review and consideration of the issue, the Boards concluded that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund's inception. The Boards noted that only one closed-end fund in the Fund Complex, HIS, has breakpoints in its advisory fee structure.

**E. Other Factors Deemed Relevant by the Board Members:** The Boards, including the Independent Board Members, also took into account other ancillary or fall-out benefits that BlackRock or its affiliates may derive from their respective relationships with the Funds, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Funds, including securities lending and cash management services. The Boards also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Boards also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Boards further noted that they had considered the investment by BlackRock's funds in exchange traded funds (i.e., ETFs) without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Boards also received information regarding BlackRock's brokerage and soft dollar practices. The Boards received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Boards noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Fund shares in the secondary market if they believe that the Fund's fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

**Conclusion**

Each Board, including all the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2013. The Board of each of HYV, HYT, HIS and BHD, including all the Independent Board Members, unanimously approved the continuation of the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund for a one-year term ending June 30, 2013. Based upon its evaluation of all of the aforementioned factors in their totality, the Boards, including the Independent Board Members, were satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Funds and their shareholders. In arriving at their decision to approve the Agreements, the Boards did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making these determinations. The contractual fee arrangements for the Funds reflect the results of several years of review by the Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. As a result, the Board Members' conclusions may be based in part on their consideration of these arrangements in prior years.

### Automatic Dividend Reinvestment Plans

Pursuant to each Trust's Dividend Reinvestment Plan (the "Reinvestment Plan"), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the "Reinvestment Plan Agent") in the respective Trust's shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After the Trusts declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participants' accounts, depending upon the following circumstances, either (i) through receipt of unissued but authorized shares from the Trusts ("newly issued shares") or (ii) by purchase of outstanding shares on the open market or on the Trust's primary exchange ("open-market purchases"). If, on the dividend payment date, the net asset value per share ("NAV") is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market premium"), the Reinvestment Plan Agent will invest the dividend amount in newly issued shares acquired on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the dividend payment date, the dollar amount of the dividend will be divided by 95% of the market price on the dividend payment date. If, on the dividend payment date, the NAV is greater than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market discount"), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares. Investments in newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the dividend payment date.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent prior to the dividend record date. Additionally, the Reinvestment Plan Agent seeks to process notices received after the record date but prior to the payable date and such notices often will become effective by the payable date. Where late notices are not processed by the applicable payable date, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

The Reinvestment Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by each Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Reinvestment Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Each Trust reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan. However, each Trust reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants that request a sale of shares are subject to a \$2.50 sales fee and a \$0.15 per share fee. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay. All correspondence concerning the Reinvestment Plan should be directed to Computershare Trust Company, N.A. through the internet at [www.computershare.com/investor](http://www.computershare.com/investor), or in writing to Computershare, P.O. Box 43078, Providence, RI 02940-3078, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at 250 Royall Street, Canton, MA 02021.

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Officers and Trustees

| Name, Address and Year of Birth   | Position(s) Held with Trusts  | Length of Time Served as a Trustee <sup>2</sup> | Principal Occupation(s) During Past Five Years   | Number of BlackRock-Advised Registered Investment Companies ( RICs ) Consisting of Investment Portfolios ( Portfolios ) Overseen | Public Directorships   |
|---|---|---|--|--|--|
| <b>Independent Trustees<sup>1</sup></b>   |   |   |  |  |  |
| <b>Richard E. Cavanagh</b><br>55 East 52nd Street<br>New York, NY 10055<br>1946   | Chairman of the Board and Trustee   | Since 1994                                      | Trustee, Aircraft Finance Trust from 1999 to 2009; Director, The Guardian Life Insurance Company of America since 1998; Director, Arch Chemical (chemical and allied products) from 1999 to 2011; Trustee, Educational Testing Service from 1997 to 2009 and Chairman thereof from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer, The Conference Board, Inc. (global business research organization) from 1995 to 2007. | 98 RICs consisting of 94 Portfolios  | None   |
| <b>Karen P. Robards</b><br>55 East 52nd Street<br>New York, NY 10055<br>1950      | Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee | Since 2007                                      | Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development (a not-for-profit organization) since 1987; Director of Care Investment Trust, Inc. (health care real estate investment trust) from 2007 to 2010; Investment Banker at Morgan Stanley from 1976 to 1987.  | 98 RICs consisting of 94 Portfolios  | AtriCure, Inc. (medical devices)   |
| <b>Michael J. Castellano</b><br>55 East 52nd Street<br>New York, NY 10055<br>1946 | Trustee and Member of the Audit Committee                                     | Since 2011                                      | Managing Director and Chief Financial Officer of Lazard Group LLC from 2001 to 2011; Chief Financial Officer of Lazard Ltd from 2004 to 2011; Director, Support Our Aging Religious (non-profit) since 2009; Director, National Advisory Board of Church Management at Villanova University since 2010.  | 98 RICs consisting of 94 Portfolios  | None   |
| <b>Frank J. Fabozzi</b><br>55 East 52nd Street<br>New York, NY 10055<br>1948      | Trustee and Member of the Audit Committee                                     | Since 1988                                      | Editor of and Consultant for The Journal of Portfolio Management since 1986; Professor of Finance, EDHEC Business School since 2011; Professor in the Practice of Finance and Becton Fellow, Yale University School of Management from 2006 to 2011; Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006.  | 98 RICs consisting of 94 Portfolios  | None   |
| <b>Kathleen F. Feldstein</b><br>55 East 52nd Street<br>New York, NY 10055<br>1941 | Trustee   | Since 2005                                      | President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Trustee Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. from 2005 to 2009; Member of the Corporation of Partners   | 98 RICs consisting of 94 Portfolios  | The McClatchy Company (publishing); BellSouth (telecommunications); Knight Ridder (publishing) |

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|   |  |               |   |  |   |
|---|--|---------------|---|--|---|
|   |  |               | HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Director, Catholic Charities of Boston since 2009.                                    |  |   |
| <b>James T. Flynn</b><br>55 East 52nd Street<br>New York, NY 10055<br>1939    | Trustee and<br>Member of<br>the Audit<br>Committee | Since<br>2007 | Chief Financial Officer of JPMorgan & Co., Inc. from 1990 to 1995.  | 98 RICs consisting of<br>94 Portfolios | None  |
| <b>Jerrold B. Harris</b><br>55 East 52nd Street<br>New York, NY 10055<br>1942 | Trustee  | Since<br>2007 | Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation since 2001; President and Chief Executive Officer, VWR Scientific Products Corporation from 1990 to 1999. | 98 RICs consisting of<br>94 Portfolios | BlackRock Kelso<br>Capital Corp.<br>(business development<br>company) |

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## Officers and Trustees (continued)

| Name, Address and Year of Birth   | Position(s) Held with Trusts              | Length of Time Served as a Trustee <sup>2</sup> | Principal Occupation(s) During Past Five Years   | Number of BlackRock-Advised Registered Investment Companies ( RICs ) Consisting of Investment Portfolios ( Portfolios ) Overseen | Public Directorships  |
|---|---|---|--|--|---|
| <b>Independent Trustees<sup>1</sup> (concluded)</b>                             |   |   |  |  |   |
| <b>R. Glenn Hubbard</b><br>55 East 52nd Street<br>New York, NY<br>10055<br>1958 | Trustee                                   | Since 2004                                      | Dean, Columbia Business School since 2004; Columbia faculty member since 1988; Co-Director, Columbia Business School's Entrepreneurship Program from 1997 to 2004; Chairman, U.S. Council of Economic Advisers under the President of the United States from 2001 to 2003; Chairman, Economic Policy Committee of the OECD from 2001 to 2003.  | 98 RICs consisting of 94 Portfolios  | ADP (data and information services); KKR Financial Corporation (finance); Metropolitan Life Insurance Company (insurance) |
| <b>W. Carl Kester</b><br>55 East 52nd Street<br>New York, NY<br>10055<br>1951   | Trustee and Member of the Audit Committee | Since 2007                                      | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Department, Harvard Business School from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School from 1999 to 2005; Member of the faculty of Harvard Business School since 1981. | 98 RICs consisting of 94 Portfolios  | None  |

<sup>1</sup> Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Trustee by action of a majority of the Trustees upon finding good cause thereof. In 2011, the Board of Trustees unanimously approved extending the mandatory retirement age for James T. Flynn by one additional year, which the Board believes would be in the best interest of shareholders.

<sup>2</sup> Date shown is the earliest date a person has served for the Trusts covered by this annual report. Following the combination of Merrill Lynch Investment Managers, L.P. ( MLIM ) and BlackRock, Inc. ( BlackRock ) in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. As a result, although the chart shows certain Trustees as joining the Trusts' board in 2007, each Trustee first became a member of the board of other legacy MLIM or legacy BlackRock Funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995; and Karen P. Robards, 1998.

**Interested Trustees<sup>3</sup>**

|  |         |            |  |                                       |      |
|--|---------|------------|--|---------------------------------------|------|
| <b>Paul L. Audet</b><br>55 East 52nd Street<br>New York, NY<br>10055<br>1953 | Trustee | Since 2011 | Senior Managing Director of BlackRock and Head of U.S. Mutual Funds since 2011; Chair of the U.S. Mutual Funds Committee reporting to the Global Executive Committee since 2011; Head of BlackRock's Real Estate business from 2008 to 2011; Member of BlackRock's Global Operating and Corporate Risk Management Committees and of the BlackRock Alternative Investors Executive Committee and Investment Committee for the Private Equity Fund of Funds business since 2008; Head of BlackRock's Global Cash | 160 RICs consisting of 278 Portfolios | None |
|--|---------|------------|--|---------------------------------------|------|

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|  |                |  |  |   |             |
|--|----------------|--|--|---|-------------|
| <p><b>Henry Gabbay</b><br/>                 55 East 52nd Street<br/>                 New York, NY<br/>                 10055<br/>                 1947</p> | <p>Trustee</p> | <p>Since<br/>                 2007</p> | <p>Management business from 2005 to 2010; Acting Chief Financial Officer of BlackRock from 2007 to 2008; Chief Financial Officer of BlackRock from 1998 to 2005.<br/>                 Consultant, BlackRock from 2007 to 2008; Managing Director, BlackRock from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007; Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006.</p> | <p>160 RICs consisting<br/>                 of 278 Portfolios</p> | <p>None</p> |
|--|----------------|--|--|---|-------------|

<sup>3</sup> Mr. Audet is an interested person, as defined in the 1940 Act, of the Trusts based on his position with BlackRock and its affiliates. Mr. Gabbay is an interested person of the Trusts based on his former positions with BlackRock and its affiliates as well as his ownership of BlackRock and The PNC Financial Services Group, Inc. securities. Mr. Audet and Mr. Gabbay are also Trustees of the BlackRock registered open-end funds. Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Trustee by action of a majority of the Trustees upon finding good cause thereof.

## Officers and Trustees (concluded)

| <b>Name, Address and Year of Birth</b>   | <b>Position(s) Held with Trusts</b>                        | <b>Length of Time Served</b> | <b>Principal Occupation(s) During Past Five Years</b>   |
|--|--|------------------------------|---|
| <b>Trusts Officers<sup>1</sup></b>   |  |                              |   |
| <b>John M. Perlowski</b><br>55 East 52nd Street<br>New York, NY 10055<br>1964  | President and Chief Executive Officer                      | Since 2011                   | Managing Director of BlackRock since 2009; Global Head of BlackRock Fund Administration since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009. |
| <b>Anne Ackerley</b><br>55 East 52nd Street<br>New York, NY 10055<br>1962      | Vice President   | Since 2007 <sup>2</sup>      | Managing Director of BlackRock since 2000; Chief Marketing Officer of BlackRock since 2012; President and Chief Executive Officer of the BlackRock-advised funds from 2009 to 2011; Vice President of the BlackRock-advised funds from 2007 to 2009; Chief Operating Officer of BlackRock's Global Client Group from 2009 to 2012; Chief Operating Officer of BlackRock's U.S. Retail Group from 2006 to 2009; Head of BlackRock's Mutual Fund Group from 2000 to 2006.                     |
| <b>Brendan Kyne</b><br>55 East 52nd Street<br>New York, NY 10055<br>1977       | Vice President   | Since 2009                   | Managing Director of BlackRock since 2010; Director of BlackRock from 2008 to 2009; Head of Product Development and Management for BlackRock's U.S. Retail Group since 2009; and Co-head thereof from 2007 to 2009; Vice President of BlackRock from 2005 to 2008.  |
| <b>Robert W. Crothers</b><br>55 East 52nd Street<br>New York, NY 10055<br>1981 | Vice President   | Since 2012                   | Director of BlackRock since 2011; Vice President of BlackRock from 2008 to 2010; Associate of BlackRock from 2006 to 2007.  |
| <b>Neal Andrews</b><br>55 East 52nd Street<br>New York, NY 10055<br>1966       | Chief Financial Officer                                    | Since 2007                   | Managing Director of BlackRock since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006.  |
| <b>Jay Fife</b><br>55 East 52nd Street<br>New York, NY 10055<br>1970           | Treasurer  | Since 2007                   | Managing Director of BlackRock since 2007; Director of BlackRock in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006.  |
| <b>Brian Kindelan</b><br>55 East 52nd Street<br>New York, NY 10055<br>1959     | Chief Compliance Officer and Anti-Money Laundering Officer | Since 2007                   | Chief Compliance Officer of the BlackRock-advised funds since 2007; Managing Director and Senior Counsel of BlackRock since 2005.   |
| <b>Janey Ahn</b><br>55 East 52nd Street<br>New York, NY 10055<br>1963          | Secretary  | Since 2012                   | Director of BlackRock since 2009; Vice President of BlackRock from 2008 to 2009; Assistant Secretary of the Funds from 2008 to 2012; Associate at Willkie Farr & Gallagher LLP from 2006 to 2008.   |

<sup>1</sup> Officers of the Trusts serve at the pleasure of the Board.

<sup>2</sup> Ms. Ackerley was President and Chief Executive Officer from 2009 to 2011.

**Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

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### **Sub-Advisor<sup>3</sup>**

BlackRock Financial  
Management, Inc.  
New York, NY 10055

### **Custodian and Accounting Agent**

State Street Bank and Trust Company  
Boston, MA 02110

### **Transfer Agent**

Computershare Trust Company, N.A.  
Canton, MA 02021

### **Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Boston, MA 02116

### **Legal Counsel**

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

### **Address of the Trusts**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>3</sup> For BHK, HYV, HYT, HIS and BHD.

Effective May 22, 2012, Robert W. Crothers became Vice President of the Trusts.

Effective May 22, 2012, Ira P. Shapiro resigned as Secretary of the Trusts and Janey Ahn became Secretary of the Trusts.

The Funds are managed by a team of investment professionals. Effective March 16, 2012, Tom Musmanno became a co-portfolio manager of BHK, BNA and BKT. Mr. Musmanno joins James Keenan as responsible for the day-to-day management of BHK and BNA, and joins Eric Pellicciaro and Akiva Dickstein as responsible for the day-to-day management of BKT.

## Additional Information

## Proxy Results

The Annual Meeting of Shareholders was held on July 27, 2012 for shareholders of record on May 31, 2012 to elect trustee nominees for each Trust. There were no broker non-votes with regard to any of the Trusts.

Approved the Class II Trustees as follows:

|     | Frank J. Fabozzi<br>Votes |           |         | James T. Flynn<br>Votes |           |         | Karen P. Robards<br>Votes |           |         |
|-----|---------------------------|-----------|---------|-------------------------|-----------|---------|---------------------------|-----------|---------|
|     | Votes For                 | Withheld  | Abstain | Votes For               | Withheld  | Abstain | Votes For                 | Withheld  | Abstain |
| BHK | 24,116,290                | 512,963   | 0       | 24,093,367              | 535,886   | 0       | 24,101,393                | 527,860   | 0       |
| HIS | 47,743,714                | 1,652,839 | 0       | 47,751,621              | 1,644,932 | 0       | 47,713,447                | 1,683,106 | 0       |
| BHY | 5,660,217                 | 155,795   | 0       | 5,658,360               | 157,652   | 0       | 5,663,108                 | 152,904   | 0       |
| BNA | 31,143,773                | 656,807   | 0       | 31,111,055              | 689,526   | 0       | 31,151,127                | 649,453   | 0       |
| BKT | 55,197,410                | 3,647,320 | 0       | 55,176,579              | 3,668,151 | 0       | 55,196,529                | 3,648,201 | 0       |
| BHD | 6,167,499                 | 135,726   | 0       | 6,149,846               | 153,379   | 0       | 6,163,447                 | 139,778   | 0       |

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Paul L. Audet, Michael J. Castellano, Richard E. Cavanagh, Kathleen F. Feldstein, Henry Gabbay, Jerrold B. Harris, R. Glenn Hubbard and W. Carl Kester.

Approved the Trustees as follows:

|     | Paul L. Audet<br>Votes |          |         | Michael J. Castellano<br>Votes |          |         | Richard E. Cavanagh<br>Votes |          |         |
|-----|------------------------|----------|---------|--------------------------------|----------|---------|------------------------------|----------|---------|
|     | Votes For              | Withheld | Abstain | Votes For                      | Withheld | Abstain | Votes For                    | Withheld | Abstain |
| HYV | 30,742,612             | 614,381  | 0       | 30,733,249                     | 623,744  | 0       | 30,737,746                   | 619,247  | 0       |
| HYT | 32,683,476             | 419,623  | 0       | 32,684,032                     | 419,067  | 0       | 32,669,195                   | 433,904  | 0       |

|     | Frank J. Fabozzi<br>Votes |          |         | Kathleen F. Feldstein<br>Votes |          |         | James T. Flynn<br>Votes |          |         |
|-----|---------------------------|----------|---------|--------------------------------|----------|---------|-------------------------|----------|---------|
|     | Votes For                 | Withheld | Abstain | Votes For                      | Withheld | Abstain | Votes For               | Withheld | Abstain |
| HYV | 30,730,439                | 626,554  | 0       | 30,732,082                     | 624,911  | 0       | 30,718,336              | 638,657  | 0       |
| HYT | 32,656,438                | 446,661  | 0       | 32,689,502                     | 413,597  | 0       | 32,669,306              | 433,793  | 0       |

|     | Henry Gabbay<br>Votes |          |         | Jerrold B. Harris<br>Votes |          |         | R. Glenn Hubbard<br>Votes |          |         |
|-----|-----------------------|----------|---------|----------------------------|----------|---------|---------------------------|----------|---------|
|     | Votes For             | Withheld | Abstain | Votes For                  | Withheld | Abstain | Votes For                 | Withheld | Abstain |
| HYV | 30,739,016            | 617,977  | 0       | 30,733,534                 | 623,459  | 0       | 30,727,308                | 629,685  | 0       |
| HYT | 32,684,165            | 418,934  | 0       | 32,674,069                 | 429,030  | 0       | 32,652,552                | 450,547  | 0       |

|     | W. Carl Kester<br>Votes |          |         | Karen P. Robards<br>Votes |          |         |
|-----|-------------------------|----------|---------|---------------------------|----------|---------|
|     | Votes For               | Withheld | Abstain | Votes For                 | Withheld | Abstain |
| HYV | 30,742,222              | 614,771  | 0       | 30,743,584                | 613,409  | 0       |
| HYT | 32,651,612              | 451,487  | 0       | 32,685,823                | 417,276  | 0       |

Additional Information (continued)

**Trust Certification**

Certain Trusts are listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Trusts filed with the SEC the certification of their chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

**Dividend Policy**

Each Trust's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Trusts may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The Trusts' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

## Additional Information (continued)

### General Information

The Trusts do not make available copies of their Statements of Additional Information because the Trusts' shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust's offerings and the information contained in each Trust's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charter or by-laws that would delay or prevent a change of control of the Trusts that were not approved by shareholders or in the principal risk factors associated with investment in the Trusts. Other than as disclosed on page 151, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolios.

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

### Electronic Delivery

Electronic copies of most financial reports are available on the Trusts' web-site or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts' electronic delivery program.

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

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

### Householding

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Trusts at (800) 441-7762.

### Availability of Quarterly Schedule of Investments

The Trusts file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Trusts' Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

### Availability of Proxy Voting Record

Information about how the Trusts voted proxies relating to securities held in the Trusts' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

### Availability of Trust Updates

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BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.



## Additional Information (concluded)

**Section 19(a) Notices**

These reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Trust's investment experience during the year and may be subject to changes based on the tax regulations. Each Trust will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

**August 31, 2012**

|     | Total Fiscal Year-to-Date<br>Cumulative Distributions by Character |                              |                         |                              | Percent of Fiscal Year-to-Date<br>Cumulative Distributions by Character |                              |                         |                              |
|-----|--|------------------------------|-------------------------|------------------------------|---|------------------------------|-------------------------|------------------------------|
|     | Net<br>Investment<br>Income  | Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share | Net<br>Investment<br>Income   | Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share |
| BHY | \$ 0.525000  |                              |                         | \$ 0.525000                  | 100%  | 0%                           | 0%                      | 100%                         |

**BlackRock Privacy Principles**

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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

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- Item 2 – Code of Ethics – The registrant (or the “Fund”) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at [www.blackrock.com](http://www.blackrock.com).
- Item 3 – Audit Committee Financial Expert – The registrant’s board of directors (the “board of directors”), has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Frank J. Fabozzi  
James T. Flynn  
W. Carl Kester  
Karen P. Robards

The registrant’s board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester’s financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant’s financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an “expert” for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification. The designation or identification of a person as an audit committee financial expert does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.

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### Item 4 – Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP (“D&T”) in each of the last two fiscal years for the services rendered to the Fund:

| Entity Name               | (a) Audit Fees      |                      | (b) Audit-Related Fees <sup>1</sup> |                      | (c) Tax Fees <sup>2</sup> |                      | (d) All Other Fees <sup>3</sup> |                      |
|---------------------------|---------------------|----------------------|-------------------------------------|----------------------|---------------------------|----------------------|---------------------------------|----------------------|
|                           | Current Fiscal Year | Previous Fiscal Year | Current Fiscal Year                 | Previous Fiscal Year | Current Fiscal Year       | Previous Fiscal Year | Current Fiscal Year             | Previous Fiscal Year |
|                           | End                 | End                  | End                                 | End                  | End                       | End                  | End                             | End                  |
| BlackRock Core Bond Trust | \$65,800            | \$60,600             | \$0                                 | \$0                  | \$14,600                  | \$14,100             | \$0                             | \$0                  |

The following table presents fees billed by D&T that were required to be approved by the registrant’s audit committee (the “Committee”) for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC (“Investment Adviser” or “BlackRock”) and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund (“Fund Service Providers”):

|                                     | Current Fiscal Year End | Previous Fiscal Year End |
|-------------------------------------|-------------------------|--------------------------|
| (b) Audit-Related Fees <sup>1</sup> | \$0                     | \$0                      |
| (c) Tax Fees <sup>2</sup>           | \$0                     | \$0                      |
| (d) All Other Fees <sup>3</sup>     | \$2,970,000             | \$3,030,000              |

<sup>1</sup> The nature of the services includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

<sup>2</sup> The nature of the services includes tax compliance, tax advice and tax planning.

<sup>3</sup> Aggregate fees borne by BlackRock in connection with the review of compliance procedures and attestation thereto performed by D&T with respect to all of the registered closed-end funds and some of the registered open-end funds advised by BlackRock.

#### (e)(1) Audit Committee Pre-Approval Policies and Procedures:

The Committee has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the Investment Adviser and Fund Service Providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC’s auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis (“general pre-approval”). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operations or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed \$10,000 attributable to the registrant or \$50,000 per project. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

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Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the Committee pursuant to the de minimis exception in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

| Entity Name               | Current Fiscal Year End | Previous Fiscal Year End |
|---------------------------|-------------------------|--------------------------|
| BlackRock Core Bond Trust | \$14,600                | \$14,100                 |

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of \$2,970,000 and \$3,030,000, respectively, were billed by D&T to the Investment Adviser.

(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the Investment Adviser, and the Fund Service Providers that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

### Item 5 – Audit Committee of Listed Registrants

(a) The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Michael Castellano  
Frank J. Fabozzi  
James T. Flynn  
W. Carl Kester  
Karen P. Robards

(b) Not Applicable

### 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.

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Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – The board of directors has delegated the voting of proxies for the Fund’s portfolio securities to the Investment Adviser pursuant to the Investment Adviser’s proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund’s stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser’s Equity Investment Policy Oversight Committee, or a sub-committee thereof (the “Oversight Committee”) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser’s clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser’s Portfolio Management Group and/or the Investment Adviser’s Legal and Compliance Department and concluding that the vote cast is in its client’s best interest notwithstanding the conflict. A copy of the Fund’s Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at [www.blackrock.com](http://www.blackrock.com) and (ii) on the SEC’s website at <http://www.sec.gov>.

Item 8 – Portfolio Managers of Closed-End Management Investment Companies – as of August 31, 2012.

(a)(1) The registrant is managed by a team of investment professionals comprised of Tom Musmanno, Managing Director at BlackRock, and James E. Keenan, Managing Director at BlackRock. Messrs. Musmanno and Keenan are the Fund’s co-portfolio managers and are responsible for the day-to-day management of the Fund’s portfolio and the selection of its investments. Mr. Musmanno has been a member of the Fund’s portfolio management team since 2012. Mr. Keenan has been a member of the Fund’s portfolio management team since 2007.

|                          |                  |
|--------------------------|------------------|
| <b>Portfolio Manager</b> | <b>Biography</b> |
|--------------------------|------------------|

|                 |   |
|-----------------|---|
| Tom Musmanno    | Managing Director of BlackRock since 2010; Director of BlackRock from 2006 to 2009.   |
| James E. Keenan | Managing Director of BlackRock since 2008 and Head of the Leveraged Finance Portfolio team; Director of BlackRock from 2006 to 2007; Vice President of BlackRock from 2004 to 2005. |

(a)(2) As of August 31, 2012:

| (i) Name of                       | (ii) Number of Other Accounts Managed<br>and Assets by Account Type<br>Other |                     |                      | (iii) Number of Other Accounts and<br>Assets for Which Advisory Fee is<br>Performance-Based<br>Other |                      |                      |
|-----------------------------------|--|---------------------|----------------------|--|----------------------|----------------------|
|                                   | Registered   | Other Pooled        | Other                | Registered   | Other Pooled         | Other                |
|                                   | Investment   | Investment          | Accounts             | Investment   | Investment           | Accounts             |
| Portfolio Manager<br>Tom Musmanno | 8<br>\$4.58 Billion  | 4<br>\$1.8 Billion  | 60<br>\$17.5 Billion | 0<br>\$0   | 1<br>\$417.8 Million | 0<br>\$0             |
| James E. Keenan                   | 16<br>\$13.09 Billion  | 12<br>\$8.2 Billion | 29<br>\$7.12 Billion | 0<br>\$0   | 8<br>\$2.14 Billion  | 4<br>\$571.2 Million |

(iv) Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. Musmanno and Keenan may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Messrs. Musmanno and Keenan may therefore be entitled to receive a portion of any incentive fees earned on such accounts.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

(a)(3) As of August 31, 2012:

**Portfolio Manager Compensation Overview**

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

**Base compensation.** Generally, portfolio managers receive base compensation based on their position with the firm.

**Discretionary Incentive Compensation.**

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager’s group within BlackRock, the investment performance, including risk-adjusted returns, of the firm’s assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual’s performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Fund or other accounts managed by the portfolio managers are measured. Among other things, BlackRock’s Chief Investment Officers make a subjective determination with respect to each portfolio manager’s compensation based on the performance of the Fund and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to these portfolio managers, such benchmarks for the Fund and other accounts are:

| <b>Portfolio Manager</b> | <b>Benchmark</b>  |
|--------------------------|---|
| James E. Keenan          | A combination of market-based indices (e.g., The Barclays Capital U.S. Corporate High Yield 2% Issuer Cap Index), certain customized indices and certain fund industry peer groups.         |
| Tom Musmanno             | A combination of market-based indices (e.g., Bank of America Merrill Lynch U.S. Corporate & Government Index, 1-3 Years), certain customized indices and certain fund industry peer groups. |

**Distribution of Discretionary Incentive Compensation**

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of discretionary incentive compensation in BlackRock stock puts compensation earned by a portfolio manager for a given year “at risk” based on BlackRock’s ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

*Long-Term Incentive Plan Awards* — From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. Messrs. Keenan and Musmanno have each received long-term incentive awards.

*Deferred Compensation Program* — A portion of the compensation paid to eligible BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm’s investment products. All of the eligible portfolio managers have participated in the deferred compensation program.



**Other compensation benefits.**

In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following incentive savings plans. BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock, Inc. employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at \$5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the IRS limit (\$250,000 for 2012). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into an index target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock, Inc. common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of \$25,000 based on its fair market value on the purchase date. Messrs. Keenan and Musmanno are each eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* – As of August 31, 2012.

| Portfolio Manager | Dollar Range of Equity Securities of the Fund Beneficially Owned |
|-------------------|--|
| Tom Musmanno      | None   |
| James E. Keenan   | None   |

(b) Not Applicable

Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable due to no such purchases during the period covered by this report.

Item 10 – Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.

Item 11 – Controls and Procedures

(a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

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(b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

Item 12 – Exhibits attached hereto

(a)(1) – Code of Ethics – See Item 2

(a)(2) – Certifications – Attached hereto

(a)(3) – Not Applicable

(b) – Certifications – Attached hereto

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Core Bond Trust

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Core Bond Trust

Date: November 5, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Core Bond Trust

Date: November 5, 2012

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Core Bond Trust

Date: November 5, 2012

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