

BLACKROCK INCOME TRUST INC.  
Form N-CSRS  
May 02, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-05542

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2014

Date of reporting period: 02/28/2014

Item 1 – Report to Stockholders

FEBRUARY 28, 2014

**SEMI-ANNUAL REPORT (UNAUDITED)**

BlackRock Core Bond Trust (BHK)

BlackRock Corporate High Yield Fund, Inc. (HYT)

BlackRock Income Opportunity Trust, Inc. (BNA)

BlackRock Income Trust, Inc. (BKT)

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

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Dear Shareholder

One year ago, US financial markets were improving despite a sluggish global economy, as easy monetary policy gave investors enough conviction to take on more risk in their portfolios. Slow but positive growth in the US was sufficient to support corporate earnings, while uncomfortably high unemployment reinforced expectations that the Federal Reserve would continue its aggressive monetary stimulus programs. International markets were more volatile given uneven growth rates and more direct exposure to macro risks such as the banking crisis in Cyprus and a generally poor outlook for European economies. Emerging markets significantly lagged the rest of the world amid fears over slowing growth and debt problems.

Global financial markets were rattled in May when then-Fed Chairman Bernanke mentioned the possibility of reducing (or tapering) the central bank's asset purchase programs—comments that were widely misinterpreted as signaling an end to the Fed's zero-interest-rate policy. US Treasury yields rose sharply, triggering a steep sell-off across fixed income markets. (Bond prices move in the opposite direction of yields.) Equity prices also suffered as investors feared the implications of a potential end of a program that had greatly supported the markets. Markets rebounded in late June, however, when the Fed's tone turned more dovish, and improving economic indicators and better corporate earnings helped extend gains through most of the summer.

Although autumn brought mixed events, it was a surprisingly positive period for most asset classes. Early on, the Fed defied market expectations with its decision to delay tapering, but higher volatility returned in late September when the US Treasury Department warned that the national debt would soon breach its statutory maximum. The ensuing political brinksmanship led to a partial government shutdown, roiling global financial markets through the first half of October. Equities and other so-called risk assets managed to resume their rally when politicians engineered a compromise to reopen the government and extend the debt ceiling, at least temporarily.

The remainder of 2013 was generally positive for stock markets in the developed world, although investors continued to grapple with uncertainty about when and how much the Fed would scale back on stimulus. When the long-awaited taper announcement ultimately came in mid-December, the Fed reduced the amount of its monthly asset purchases but at the same time reaffirmed its commitment to maintaining low short-term interest rates. Markets reacted positively, as the taper signaled the Fed's perception of real improvement in the economy, and investors were finally relieved from the anxiety that had gripped them for quite some time.

The start of the new year brought another turn in sentiment, as heightened volatility in emerging markets and mixed US economic data caused global equities to weaken in January while bond markets found renewed strength. Although these headwinds persisted, equities were back on the rise in February thanks to positive developments in Washington, DC. For one, Congress extended the nation's debt ceiling through mid-March 2015, thereby reducing some degree of fiscal uncertainty for the next year. Additionally, investors were encouraged by market-friendly comments in new Fed Chair Janet Yellen's Congressional testimony, giving further assurance that short-term rates would remain low for a prolonged period.

While accommodative monetary policy was the main driver behind positive market performance over the period, it was also a key cause of investor uncertainty. Developed market stocks were the strongest performers for the six- and 12-month periods ended February 28. In contrast, emerging markets were weighed down by uneven growth, high levels of debt and severe currency weakness, in addition to the broader concern about reduced global liquidity. The anticipation of Fed tapering during 2013 pressured US Treasury bonds and other high-quality fixed income sectors, including tax-exempt municipals and investment grade corporate bonds. High yield bonds, to the contrary, benefited from income-oriented investors' search for yield in the low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

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At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit [www.blackrock.com](http://www.blackrock.com) for further insight about investing in today's world.

Sincerely,

**Rob Kapito**

President, BlackRock Advisors, LLC

*While accommodative monetary policy was the main driver behind positive market performance over the period, it was also a key cause of investor uncertainty.*

**Rob Kapito**

President, BlackRock Advisors, LLC

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**Total Returns as of February 28, 2014**

|                                                                               | 6-month | 12-month |
|-------------------------------------------------------------------------------|---------|----------|
| US large cap equities (S&P 500® Index)                                        | 15.07 % | 25.37 %  |
| US small cap equities (Russell 2000® Index)                                   | 17.75   | 31.56    |
| International equities (MSCI Europe, Australasia, Far East Index)             | 15.01   | 19.28    |
| Emerging market equities (MSCI Emerging Markets Index)                        | 4.77    | (6.01 )  |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)     | 0.03    | 0.08     |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)         | 2.61    | (3.65 )  |
| US investment grade bonds (Barclays US Aggregate Bond Index)                  | 2.84    | 0.15     |
| Tax-exempt municipal bonds (S&P Municipal Bond Index)                         | 6.08    | (0.27 )  |
| US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index) | 7.46    | 8.36     |

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

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THIS PAGE NOT PART OF YOUR FUND REPORT 3

Trust Summary as of February 28, 2014  
**Trust Overview**

**BlackRock Core Bond Trust**

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

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

### **Portfolio Management Commentary**

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

For the six-month period ended February 28, 2014, the Trust returned 10.82% based on market price and 8.32% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 9.61% based on market price and 6.45% 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?**

Fixed income markets experienced a rally over the six-month period that was only temporarily suspended at the beginning of 2014 due to investors concern over softening US economic data, which appeared to be mostly driven by unusually harsh weather conditions. In addition, certain risk assets, including emerging market debt, were negatively impacted by the tightening of global liquidity as the Fed continued to reduce the size of its asset purchase program. The largest contributors to the Trust s performance were positions in corporate credit, specifically high yield and capital securities, as well as commercial mortgage-backed securities ( CMBS ). The Trust s exposure to asset-backed securities ( ABS ) and, to a lesser extent, sovereign-related debt had a positive impact on returns.

Based on the view that short-term rates would remain low, the Fund maintained its leverage to augment income generation throughout the period.

Conversely, the Trust s holdings of US Treasury securities detracted from performance as interest rates increased (bond prices fall as rates rise) toward the end of 2013 amid anticipation that the Fed would soon begin reducing its asset purchase program. The Trust s long duration bias (greater sensitivity to interest rate movements) and yield curve positioning hindered results for the period.

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

The Trust s allocations remained consistent throughout the six-month period, with its largest position in investment grade and high yield corporate credit, followed by allocations to securitized credits, specifically, ABS and CMBS.

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

At period end, the Trust maintained diversified exposure to non-government spread sectors including investment grade credit, high yield credit, CMBS, ABS and non-agency residential mortgage-backed securities ( MBS ). The Trust also held exposure to government-related sectors including US Treasury securities, agency debt and agency MBS. The Trust ended the period with a long duration profile.

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

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## BlackRock Core Bond Trust

## Trust Information

|                                                                                                  |                   |
|--------------------------------------------------------------------------------------------------|-------------------|
| Symbol on New York Stock Exchange ( NYSE )                                                       | BHK               |
| Initial Offering Date                                                                            | November 27, 2001 |
| Current Distribution Rate on Closing Market Price as of February 28, 2014 (\$13.38) <sup>1</sup> | 6.77%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                       | \$0.0755          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                    | \$0.9060          |
| Economic Leverage as of February 28, 2014 <sup>3</sup>                                           | 29%               |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

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 12.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14 | 8/31/13 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$13.38 | \$12.50 | 7.04%  | \$13.44 | \$12.27 |
| Net Asset Value | \$14.70 | \$14.05 | 4.63%  | \$14.70 | \$13.82 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Portfolio Composition                     | 2/28/14 | 8/31/13 |
|-------------------------------------------|---------|---------|
| Corporate Bonds                           | 61%     | 58%     |
| Non-Agency Mortgage-Backed Securities     | 11      | 11      |
| US Government Sponsored Agency Securities | 9       | 10      |
| US Treasury Obligations                   | 8       | 8       |
| Preferred Securities                      | 4       | 5       |
| Asset-Backed Securities                   | 4       | 5       |
| Municipal Bonds                           | 2       | 2       |
| Foreign Agency Obligations                | 1       | 1       |
| Credit Quality Allocation <sup>4</sup>    | 2/28/14 | 8/31/13 |
| AAA/Aaa <sup>5</sup>                      | 12%     | 14%     |
| AA/Aa                                     | 15      | 15      |
| A                                         | 21      | 21      |

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|           |    |    |
|-----------|----|----|
| BBB/Baa   | 24 | 23 |
| BB/Ba     | 15 | 12 |
| B         | 11 | 13 |
| CCC/Caa   | 1  | 1  |
| Not Rated | 1  | 1  |

<sup>4</sup>Using the higher of Standard & Poor's ( S&P ) 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.

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Trust Summary as of February 28, 2014  
**Trust Overview**

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

**BlackRock Corporate High Yield Fund, 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**

On June 5, 2013, the Board of Directors of the Trust approved separate plans of reorganization whereby the Trust would acquire all of the assets and assume all of the liabilities of BlackRock Corporate High Yield Fund, Inc. (COY), BlackRock Corporate High Yield Fund III, Inc. (CYE), BlackRock Corporate High Yield Fund V, Inc. (HYV), BlackRock High Income Shares (HIS) and BlackRock High Yield Trust (BHY) (each a Target Fund ) in exchange for newly issued shares of the Trust in a reorganization transaction. At a shareholder meeting on October 11, 2013, each Target Fund s shareholders approved their respective plan of reorganization and the Trust s shareholders approved the issuance of Trust shares in connection with each reorganization. The reorganizations took place on November 18, 2013. On February 28, 2014, the Trust changed its name from BlackRock Corporate High Yield Fund VI, Inc. to BlackRock Corporate High Yield Fund, Inc.

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

For the six-month period ended February 28, 2014, the Trust returned 15.24% based on market price and 11.46% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 12.50% based on market price and 10.48% 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 benefited from a tactical allocation to equities that were selected for their total return characteristics versus lower-quality bonds, which tend to exhibit more equity-like risks. In particular, equity positions in General Motors Co., The Goodyear Tire & Rubber Co. and American Capital Ltd. were notable contributors. Also adding to performance was security selection within floating rate loan interests, which the Trust purchased as an alternative to higher-quality, short-dated high yield bonds. Although the bank loan sector underperformed high yield during the period, the Trust benefited from idiosyncratic risk associated with holdings of select loan names in the gaming and lodging industries.

Detracting from performance was the Trust s exposure to names in the electric and metals & mining industries. Additionally, positions in put options for the purpose of managing equity market risk had a negative impact on returns as the equity market rally persisted during the period.

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

The Trust actively managed risk throughout the six-month period. We generally shifted to more moderate risk positions by the end of the period as the overall risk-reward profile of the market, specifically in high yield, continued to shift away from the cheap prices of the last few years. Broadly speaking, the Trust s investment decisions were focused on individual credits or issuers, rather than sub-sectors. The Trust s core credit positioning continued to focus on income-oriented names with good earnings visibility and strong asset protection. These positions largely represent the income component of the Trust, although there were also cases where a specific catalyst or idiosyncratic characteristic enhanced the credit s attractiveness. The Trust maintained a bias toward credits with shorter duration

(lower sensitivity to interest rate movements) and expressed this view through holdings in bank loans as well as other non-bond assets. The Trust also held exposure to equities and equity-like instruments while managing equity market risk through the use of put options.

**Describe portfolio positioning at period end.**

At period end, the Trust held 75% of its total portfolio in corporate bonds, 13% in floating rate loan interests (bank loans) and 9% in common stocks, with the remainder invested in preferred securities and asset-backed securities. The Trust's highest-conviction holdings included HD Supply, Inc. (building materials), American Capital Ltd. (non-captive diversified financials) and Ally Financial, Inc. (banking).

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## BlackRock Corporate High Yield Fund, Inc.

## Trust Information

|                                                                                                  |              |
|--------------------------------------------------------------------------------------------------|--------------|
| Symbol on NYSE                                                                                   | HYT          |
| Initial Offering Date                                                                            | May 30, 2003 |
| Current Distribution Rate on Closing Market Price as of February 28, 2014 (\$12.51) <sup>1</sup> | 7.72%        |
| Current Monthly Distribution per Common Share <sup>2</sup>                                       | \$0.0805     |
| Current Annualized Distribution per Common Share <sup>2</sup>                                    | \$0.9660     |
| Economic Leverage as of February 28, 2014 <sup>3</sup>                                           | 29%          |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. 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 bank borrowings 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 12.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14 | 8/31/13 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$12.51 | \$11.37 | 10.03% | \$12.60 | \$11.34 |
| Net Asset Value | \$13.43 | \$12.62 | 6.42%  | \$13.43 | \$12.62 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Portfolio Composition        | 2/28/14 | 8/31/13 |
|------------------------------|---------|---------|
| Corporate Bonds              | 75%     | 76%     |
| Floating Rate Loan Interests | 13      | 14      |
| Common Stocks                | 9       | 7       |
| Preferred Stocks             | 2       | 2       |
| Asset-Backed Securities      | 1       | 1       |

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

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Trust Summary as of February 28, 2014  
**Trust Overview**

**BlackRock Income Opportunity Trust, Inc.**

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

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

### **Portfolio Management Commentary**

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

For the six-month period ended February 28, 2014, the Trust returned 11.69% based on market price and 8.54% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 9.61% based on market price and 6.45% 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?**

Fixed income markets experienced a rally over the six-month period that was only temporarily suspended at the beginning of 2014 due to investors concern over softening US economic data, which appeared to be mostly driven by unusually harsh weather conditions. In addition, certain risk assets, including emerging market debt, were negatively impacted by the tightening of global liquidity as the Fed continued to reduce the size of its asset purchase program. The Trust benefited from the generally positive market environment, with positions in high yield and investment grade corporate credit being the largest contributors to returns. Exposure to securitized assets, including asset-backed securities ( ABS ) and commercial mortgage-backed securities ( CMBS ) also had a positive impact on performance. Positions in sovereign-related debt enhanced results for the period.

Based on the view that short-term rates would remain low, the Trust maintained its leverage to augment income generation throughout the period.

Conversely, the Trust s holdings of US Treasury securities detracted from performance as interest rates increased (bond prices fall as rates rise) toward the end of 2013 amid anticipation that the Fed would soon begin reducing its asset purchase program. Exposure to emerging market debt generated negative returns as these assets experienced heavy selling pressure amid tighter liquidity conditions in the US. The Trust s long duration bias (greater sensitivity to interest rate movements) and yield curve positioning hindered results for the period.

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

The Trust s allocations remained consistent throughout the six-month period, with its largest position in investment grade and high yield corporate credit, followed by allocations to securitized credits, specifically, ABS and CMBS.

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

At period end, the Trust maintained diversified exposure to non-government spread sectors including investment grade credit, high yield credit, CMBS, ABS and non-agency residential mortgage-backed securities ( MBS ). The Trust also held exposure to government-related sectors including US Treasury securities, agency debt and agency MBS. The Trust ended the period with a long duration profile.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a

forecast of future events and are no guarantee of future results.  
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## BlackRock Income Opportunity Trust, Inc.

## Trust Information

|                                                                                                  |                   |
|--------------------------------------------------------------------------------------------------|-------------------|
| Symbol on NYSE                                                                                   | BNA               |
| Initial Offering Date                                                                            | December 20, 1991 |
| Current Distribution Rate on Closing Market Price as of February 28, 2014 (\$10.39) <sup>1</sup> | 6.87%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                       | \$0.0595          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                    | \$0.7140          |
| Economic Leverage as of February 28, 2014 <sup>3</sup>                                           | 31%               |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

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 12.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14 | 8/31/13 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$10.39 | \$ 9.64 | 7.78%  | \$10.46 | \$ 9.54 |
| Net Asset Value | \$11.48 | \$10.96 | 4.74%  | \$11.48 | \$10.79 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Portfolio Composition                     | 2/28/14 | 8/31/13 |
|-------------------------------------------|---------|---------|
| Corporate Bonds                           | 58%     | 58%     |
| Non-Agency Mortgage-Backed Securities     | 12      | 11      |
| US Government Sponsored Agency Securities | 9       | 10      |
| US Treasury Obligations                   | 8       | 7       |
| Preferred Securities                      | 6       | 6       |
| Asset-Backed Securities                   | 4       | 5       |
| Municipal Bonds                           | 2       | 2       |
| Foreign Agency Obligations                | 1       | 1       |

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

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

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Trust Summary as of February 28, 2014

BlackRock Income Trust, Inc.

## Trust Overview

**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. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

## Portfolio Management Commentary

### How did the Trust perform?

For the six-month period ended February 28, 2014, the Trust returned 6.66% based on market price and 3.29% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 10.37% based on market price and 6.88% 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.

Fixed income markets experienced a rally over the six-month period that was only temporarily suspended at the beginning of 2014 due to investors concern over softening US economic data, which appeared to be mostly driven by unusually harsh weather conditions. In addition, certain risk assets, including emerging market debt, were negatively impacted by the tightening of global liquidity as the Fed continued to reduce the size of its asset purchase program. Contributing positively to the Trust s performance was exposure to securitized assets, specifically, agency collateralized mortgage obligations ( CMOs ) and agency mortgage derivatives (including interest-only and principal-only securities). The Trust also benefited from exposure to Alt-A (riskier than prime, but less risky than subprime) and prime non-agency residential mortgage-backed securities ( MBS ) as well as commercial mortgage-backed securities ( CMBS ) as spreads tightened through most of the period.

Conversely, the Trust s holdings of US Treasury securities detracted from performance as interest rates increased toward the end of 2013 amid anticipation that the Fed would soon begin reducing its asset purchase program. Additionally, the Trust s low exposure to 15- and 30-year agency pass-through mortgage-backed securities ( MBS ) represented a missed opportunity as these issues performed well during the period.

The Trust uses interest rate derivatives including futures, options, swaps and swaptions, mainly for the purpose of managing duration (sensitivity to interest rate movements), convexity and yield curve positioning. During the period, the Trust held short positions on US Treasuries in order to manage the duration profile of the portfolio. These positions were beneficial to the Trust s performance during certain periods of rising interest rates; however, for the six-month period as a whole, the Trust s derivatives holdings had a negative impact on returns.

### Describe recent portfolio activity.

During the six-month period, the Trust increased overall exposure to agency MBS. Within agency MBS, the Trust reduced exposure to 30-year pass-through issues in favor of agency CMO securities exhibiting attractive spreads, strong income and a low risk profile.

### Describe portfolio positioning at period end.

As of period end, the Trust maintained exposure to high quality agency MBS with varying maturities and coupon rates. The Trust continued to favor agency CMOs while holding low exposure to 15- and 30-year agency pass-through issues. The Trust also held small allocations to asset-backed securities, non-agency MBS and CMBS.

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## BlackRock Income Trust, Inc.

## Trust Information

|                                                                                                 |               |
|-------------------------------------------------------------------------------------------------|---------------|
| Symbol on NYSE                                                                                  | BKT           |
| Initial Offering Date                                                                           | July 22, 1988 |
| Current Distribution Rate on Closing Market Price as of February 28, 2014 (\$6.60) <sup>1</sup> | 6.73%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.037       |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$0.444       |
| Economic Leverage as of February 28, 2014 <sup>3</sup>                                          | 30%           |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The monthly distribution per common share, declared on March 3, 2014, was decreased to \$0.035 per share. The current distribution rate on closing market price, current monthly distribution per common share and current annualized distribution per common share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<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 12.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14 | 8/31/13 | Change  | High   | Low    |
|-----------------|---------|---------|---------|--------|--------|
| Market Price    | \$6.60  | \$6.40  | 3.13%   | \$6.72 | \$6.31 |
| Net Asset Value | \$7.31  | \$7.32  | (0.14)% | \$7.41 | \$7.21 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Portfolio Composition                     | 2/28/14 | 8/31/13 |
|-------------------------------------------|---------|---------|
| US Government Sponsored Agency Securities | 97%     | 96%     |
| Non-Agency Mortgage-Backed Securities     | 2       | 2       |
| Asset-Backed Securities                   | 1       | 1       |
| US Treasury Obligations                   | -       | 1       |

<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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### The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the 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.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Trust's costs of leverage are significantly lower than the income earned on the Trust's longer-term investments acquired from leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trust's return on assets purchased with leverage proceeds, income to shareholders will be lower than if the Trust had not used leverage. Furthermore, the value of the Trust's 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 value of the Trust's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trust's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Trust's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, the 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 the Trust to incur losses. The use of leverage may limit the Trust's ability to invest in certain types of securities or use certain types of hedging strategies. The Trust will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Each Trust may utilize leverage through a credit facility or reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Trust is permitted to issue debt up to ~~33%~~ of their total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

### 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 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or 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 and/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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## BlackRock Core Bond Trust (BHK)

Schedule of Investments February 28, 2014 (Unaudited) (Percentages shown are based on Net Assets)

| Common Stocks                                                                         | 0.0%        | Shares       | Value      |
|---------------------------------------------------------------------------------------|-------------|--------------|------------|
| <b>Paper &amp; Forest Products</b>                                                    | <b>0.0%</b> |              |            |
| NewPage Holdings, Inc.                                                                |             | 1,720        | \$ 142,760 |
| <hr/>                                                                                 |             |              |            |
|                                                                                       |             | Par<br>(000) |            |
| <b>Asset-Backed Securities</b>                                                        |             |              |            |
| <b>Asset-Backed Securities</b>                                                        | <b>5.4%</b> |              |            |
| 321 Henderson Receivables I LLC, Series 2010-3A, Class A, 3.82%, 12/15/48 (a)         | USD         | 632          | 668,684    |
| ACAS CLO Ltd., Series 2013-1A, Class C, 2.99%, 4/20/25 (a)(b)                         |             | 500          | 492,500    |
| AmeriCredit Automobile Receivables Trust, Series 2011-5, Class C, 3.44%, 10/08/17     |             | 400          | 413,328    |
| Apidos CDO XI, Series 2012-11A, Class D, 4.49%, 1/17/23 (a)(b)                        |             | 600          | 601,708    |
| Atrium CDO Corp., Series 9A, Class D, 3.73%, 2/28/24 (a)(b)                           |             | 750          | 726,656    |
| Babson CLO Ltd., Series 2012-1X, Class B, 2.74%, 4/15/22 (b)                          |             | 500          | 488,013    |
| Brookside Mill CLO Ltd., Series 2013-1A, Class C1, 2.94%, 4/17/25 (a)(b)              |             | 500          | 491,141    |
| CarMax Auto Owner Trust, Series 2012-1: Class B, 1.76%, 8/15/17                       |             | 210          | 214,446    |
| Class C, 2.20%, 10/16/17                                                              |             | 125          | 128,674    |
| Class D, 3.09%, 8/15/18                                                               |             | 155          | 159,363    |
| Cavalry CLO II, Series 2A, Class D, 4.24%, 1/17/24 (a)(b)                             |             | 770          | 755,737    |
| CenterPoint Energy Transition Bond Co. LLC, Series 2012-1, Class A3, 3.03%, 10/15/25  |             | 1,105        | 1,090,045  |
| CIFC Funding Ltd. (a)(b): Series 2012-1A, Class B1L, 5.49%, 8/14/24                   |             | 750          | 753,750    |
| Series 2013-1A, Class B, 3.05%, 4/16/25                                               |             | 500          | 492,750    |
| Series 2013-1A, Class C, 3.84%, 4/16/25                                               |             | 500          | 485,481    |
| Countrywide Asset-Backed Certificates, Series 2006-13, Class 3AV2, 0.31%, 1/25/37 (b) |             | 946          | 835,294    |
| Figuroa CLO Ltd., Series 2013-1A, Class C, 3.88%, 3/21/24 (a)(b)                      |             | 500          | 486,375    |
| Ford Credit Floorplan Master Owner Trust, Series 2012-2: Class B, 2.32%, 1/15/19      |             | 245          | 251,613    |
| Class C, 2.86%, 1/15/19                                                               |             | 105          | 109,435    |
| Class D, 3.50%, 1/15/19                                                               |             | 200          | 211,410    |
| Galaxy XV CLO Ltd., Series 2013-15A, Class C, 2.84%, 4/15/25 (a)(b)                   |             | 500          | 487,302    |
| ING IM CLO Ltd., Series 2012-2A, Class C,                                             |             | 750          | 751,643    |

|                                                                       |     |         |
|-----------------------------------------------------------------------|-----|---------|
| 3.69%, 10/15/22 (a)(b)                                                |     |         |
| Nelnet Student Loan Trust (b):                                        |     |         |
| Series 2006-1, Class A5, 0.35%, 8/23/27                               | 525 | 514,083 |
| Series 2008-3, Class A4, 1.88%, 11/25/24                              | 615 | 638,824 |
| OZLM Funding III Ltd., Series 2013-3A, Class B, 3.34%, 1/22/25 (a)(b) | 750 | 745,617 |

**Portfolio Abbreviations**

|                                           |                                                      |
|-------------------------------------------|------------------------------------------------------|
| <b>ADR</b> American Depositary Receipts   | <b>LIBOR</b> London Interbank Offered Rate           |
| <b>AUD</b> Australian Dollar              | <b>OTC</b> Over-the-Counter                          |
| <b>CAD</b> Canadian Dollar                | <b>PIK</b> Payment-In-Kind                           |
| <b>CLO</b> Collateralized Loan Obligation | <b>RB</b> Revenue Bonds                              |
| <b>EUR</b> Euro                           | <b>REMIC</b> Real Estate Mortgage Investment Conduit |
| <b>GBP</b> British Pound                  | <b>TBA</b> To Be Announced                           |
| <b>GO</b> General Obligation Bonds        | <b>USD</b> US Dollar                                 |

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                               |     | <b>Par<br/>(000)</b> | <b>Value</b>           |
|-------------------------------------------------------------------------------|-----|----------------------|------------------------|
| <b>Corporate Bonds</b>                                                        |     |                      |                        |
| <b>Airlines (concluded)</b>                                                   |     |                      |                        |
| Continental Airlines Pass-Through Trust:                                      |     |                      |                        |
| Series 2010-1, Class B, 6.00%, 7/12/20                                        | USD | 471                  | \$ 496,014             |
| Series 2012-3, Class C, 6.13%, 4/29/18                                        |     | 500                  | 529,375                |
| United Airlines Pass-Through Trust, Series 2013-1,<br>Class A, 4.30%, 2/15/27 |     | 2,000                | 2,052,000              |
| US Airways Pass-Through Trust, Series 2012-1, Class<br>C, 9.13%, 10/01/15     |     | 1,308                | 1,386,020<br>7,435,651 |
| <b>Auto Components 1.0%</b>                                                   |     |                      |                        |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.<br>(a):                  |     |                      |                        |
| 3.50%, 3/15/17                                                                |     | 522                  | 528,525                |
| 4.88%, 3/15/19                                                                |     | 900                  | 918,000                |
| 6.00%, 8/01/20                                                                |     | 953                  | 1,005,415              |
| 5.88%, 2/01/22                                                                |     | 911                  | 929,220                |
| Jaguar Land Rover Automotive PLC, 4.13%, 12/15/18<br>(a)                      |     | 750                  | 765,000<br>4,146,160   |
| <b>Auto Parts 0.0%</b>                                                        |     |                      |                        |
| PetroLogistics LP/PetroLogistics Finance Corp.,<br>6.25%, 4/01/20             |     | 161                  | 163,415                |
| <b>Automobiles 0.8%</b>                                                       |     |                      |                        |
| Ford Motor Co., 4.75%, 1/15/43                                                |     | 1,995                | 1,929,025              |
| General Motors Co., 6.25%, 10/02/43 (a)                                       |     | 1,253                | 1,387,698<br>3,316,723 |
| <b>Building Products 0.1%</b>                                                 |     |                      |                        |
| Cemex SAB de CV, 5.88%, 3/25/19 (a)                                           |     | 200                  | 206,000                |
| Momentive Performance Materials, Inc., 8.88%,<br>10/15/20                     |     | 255                  | 272,850<br>478,850     |
| <b>Capital Markets 3.6%</b>                                                   |     |                      |                        |
| CDP Financial, Inc., 5.60%, 11/25/39 (a)(d)                                   |     | 2,935                | 3,485,850              |
| The Goldman Sachs Group, Inc. (d):                                            |     |                      |                        |
| 5.38%, 3/15/20                                                                |     | 1,220                | 1,374,262              |
| 5.25%, 7/27/21                                                                |     | 3,165                | 3,525,158              |
| 5.75%, 1/24/22                                                                |     | 1,800                | 2,055,594              |
| Morgan Stanley:                                                               |     |                      |                        |
| 4.20%, 11/20/14                                                               |     | 490                  | 502,857                |
| 4.00%, 7/24/15                                                                |     | 410                  | 427,667                |
| 6.25%, 8/28/17 (d)                                                            |     | 1,930                | 2,225,850              |
| Murray Street Investment Trust I, 4.65%, 3/09/17                              |     | 825                  | 894,152<br>14,491,390  |
| <b>Chemicals 1.3%</b>                                                         |     |                      |                        |
| Axiall Corp., 4.88%, 5/15/23 (a)                                              |     | 152                  | 150,100                |
| The Dow Chemical Co., 4.13%, 11/15/21                                         |     | 350                  | 367,737                |



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|                                                                                              |       |           |
|----------------------------------------------------------------------------------------------|-------|-----------|
| Huntsman International LLC, 4.88%, 11/15/20                                                  | 298   | 303,587   |
| Methanex Corp., 3.25%, 12/15/19                                                              | 2,074 | 2,087,910 |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a)                                                   | 245   | 254,188   |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20                                            | 1,800 | 1,867,500 |
| US Coatings Acquisition, Inc./Axalta Coating Systems<br>Dutch Holding BV, 7.38%, 5/01/21 (a) | 151   | 163,080   |
|                                                                                              |       | 5,194,102 |

**Commercial Banks 3.1%**

|                                                           |       |           |
|-----------------------------------------------------------|-------|-----------|
| CIT Group, Inc.:                                          |       |           |
| 5.50%, 2/15/19 (a)                                        | 398   | 432,825   |
| 5.38%, 5/15/20                                            | 1,650 | 1,782,000 |
| Depfa ACS Bank, 5.13%, 3/16/37 (a)                        | 3,775 | 3,359,750 |
| HSBC Bank Brasil SA Banco Multiplo, 4.00%, 5/11/16<br>(a) | 1,400 | 1,452,500 |
| HSBC Bank PLC, 3.10%, 5/24/16 (a)                         | 700   | 735,301   |
| HSBC Holdings PLC, 6.10%, 1/14/42                         | 305   | 371,115   |
| Rabobank Nederland (d):                                   |       |           |
| 3.88%, 2/08/22                                            | 1,390 | 1,436,472 |
| 3.95%, 11/09/22                                           | 1,500 | 1,486,874 |

**Corporate Bonds**

**Commercial Banks (concluded)**

|                                       |     | Par<br>(000) | Value        |
|---------------------------------------|-----|--------------|--------------|
| Wells Fargo & Co., 3.50%, 3/08/22 (d) | USD | 1,390        | \$ 1,423,197 |
|                                       |     |              | 12,480,034   |

**Commercial Services & Supplies 1.4%**

|                                                                      |       |           |
|----------------------------------------------------------------------|-------|-----------|
| ADS Waste Holdings, Inc., 8.25%, 10/01/20                            | 246   | 266,910   |
| The ADT Corp., 4.88%, 7/15/42                                        | 539   | 433,895   |
| Aviation Capital Group Corp. (a):                                    |       |           |
| 4.63%, 1/31/18                                                       | 650   | 677,249   |
| 7.13%, 10/15/20                                                      | 900   | 1,010,191 |
| Brand Energy & Infrastructure Services, Inc., 8.50%,<br>12/01/21 (a) | 217   | 226,223   |
| Interactive Data Corp., 10.25%, 8/01/18                              | 1,330 | 1,443,050 |
| Mobile Mini, Inc., 7.88%, 12/01/20                                   | 320   | 357,600   |
| United Rentals North America, Inc.:                                  |       |           |
| 5.75%, 7/15/18                                                       | 194   | 208,065   |
| 7.38%, 5/15/20                                                       | 385   | 430,237   |
| 7.63%, 4/15/22                                                       | 452   | 513,585   |
|                                                                      |       | 5,567,005 |

**Communications Equipment 1.3%**

|                                                   |       |           |
|---------------------------------------------------|-------|-----------|
| ADC Telecommunications, Inc., 3.50%, 7/15/15 (e)  | 4,330 | 4,384,125 |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20 | 530   | 584,325   |
|                                                   |       | 4,968,450 |

**Construction & Engineering 0.1%**

|                                                                      |     |         |
|----------------------------------------------------------------------|-----|---------|
| ABB Finance USA, Inc., 4.38%, 5/08/42                                | 192 | 188,585 |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (a)                    | 96  | 101,400 |
| Safway Group Holding LLC/Safway Finance Corp.,<br>7.00%, 5/15/18 (a) | 200 | 212,500 |
|                                                                      |     | 502,485 |

**Construction Materials 1.0%**

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|                                                                     |     |       |           |
|---------------------------------------------------------------------|-----|-------|-----------|
| HD Supply, Inc.:                                                    |     |       |           |
| 8.13%, 4/15/19                                                      |     | 1,815 | 2,041,875 |
| 7.50%, 7/15/20                                                      |     | 1,544 | 1,690,680 |
| Lafarge SA, 7.13%, 7/15/36                                          |     | 135   | 142,425   |
|                                                                     |     |       | 3,874,980 |
| <b>Consumer Finance 0.8%</b>                                        |     |       |           |
| Discover Financial Services, 3.85%, 11/21/22                        |     | 250   | 246,528   |
| Ford Motor Credit Co. LLC:                                          |     |       |           |
| 4.25%, 9/20/22                                                      |     | 800   | 826,622   |
| 8.13%, 1/15/20                                                      |     | 1,265 | 1,602,315 |
| SLM Corp., 6.25%, 1/25/16                                           |     | 661   | 713,880   |
|                                                                     |     |       | 3,389,345 |
| <b>Containers &amp; Packaging 0.5%</b>                              |     |       |           |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 |     | 91    | 99,645    |
| Sealed Air Corp. (a):                                               |     |       |           |
| 6.50%, 12/01/20                                                     |     | 550   | 608,437   |
| 8.38%, 9/15/21                                                      |     | 225   | 259,594   |
| Smurfit Kappa Acquisitions (a):                                     |     |       |           |
| 4.88%, 9/15/18                                                      |     | 410   | 431,525   |
| 7.75%, 11/15/19                                                     | EUR | 410   | 609,239   |
|                                                                     |     |       | 2,008,440 |
| <b>Diversified Consumer Services 0.2%</b>                           |     |       |           |
| APX Group, Inc., 6.38%, 12/01/19                                    | USD | 636   | 655,875   |
| <b>Diversified Financial Services 8.5%</b>                          |     |       |           |
| Aircastle Ltd., 6.25%, 12/01/19                                     |     | 708   | 771,720   |
| Ally Financial, Inc.:                                               |     |       |           |
| 5.50%, 2/15/17                                                      |     | 1,500 | 1,638,750 |
| 6.25%, 12/01/17                                                     |     | 160   | 180,000   |
| 8.00%, 3/15/20                                                      |     | 560   | 693,000   |
| 8.00%, 11/01/31                                                     |     | 300   | 378,000   |
| Bank of America Corp. (d):                                          |     |       |           |
| 5.63%, 7/01/20                                                      |     | 1,100 | 1,266,367 |
| 3.30%, 1/11/23                                                      |     | 4,990 | 4,855,050 |
| Capital One Financial Corp., 4.75%, 7/15/21                         |     | 960   | 1,051,586 |
| FMR LLC, 4.95%, 2/01/33 (a)(d)                                      |     | 1,150 | 1,197,972 |
| See Notes to Financial Statements.                                  |     |       |           |

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                   |     | Par<br>(000) | Value        |
|-------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                            |     |              |              |
| <b>Diversified Financial Services (concluded)</b>                 |     |              |              |
| General Electric Capital Corp.:                                   |     |              |              |
| 6.15%, 8/07/37 (d)                                                | USD | 2,150        | \$ 2,615,357 |
| 6.88%, 1/10/39                                                    |     | 135          | 177,850      |
| General Motors Financial Co., Inc., 4.25%, 5/15/23                |     | 401          | 405,010      |
| IntercontinentalExchange Group, Inc., 4.00%, 10/15/23             |     | 235          | 244,901      |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%,<br>4/01/20 (a) |     | 500          | 528,750      |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%,<br>6/01/20 (a)   |     | 626          | 638,520      |
| JPMorgan Chase & Co. (d):                                         |     |              |              |
| 3.70%, 1/20/15                                                    |     | 3,425        | 3,523,191    |
| 6.30%, 4/23/19                                                    |     | 2,000        | 2,375,426    |
| JPMorgan Chase Bank NA, 6.00%, 10/01/17                           |     | 800          | 920,054      |
| Macquarie Bank Ltd., 10.25%, 6/20/57 (b)                          |     | 900          | 1,021,500    |
| Moody's Corp., 4.50%, 9/01/22                                     |     | 900          | 930,710      |
| Northern Trust Corp., 3.95%, 10/30/25                             |     | 4,000        | 4,059,652    |
| Reynolds Group Issuer, Inc.:                                      |     |              |              |
| 7.13%, 4/15/19                                                    |     | 200          | 212,750      |
| 7.88%, 8/15/19                                                    |     | 560          | 618,800      |
| 5.75%, 10/15/20                                                   |     | 1,000        | 1,045,000    |
| 6.88%, 2/15/21                                                    |     | 680          | 739,500      |
| WMG Acquisition Corp., 11.50%, 10/01/18                           |     | 562          | 639,275      |
|                                                                   |     |              | 32,728,691   |
| <b>Diversified Telecommunication Services 3.1%</b>                |     |              |              |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                       |     | 400          | 418,000      |
| Level 3 Financing, Inc.:                                          |     |              |              |
| 8.13%, 7/01/19                                                    |     | 698          | 767,800      |
| 8.63%, 7/15/20                                                    |     | 650          | 730,438      |
| Telecom Italia Capital SA, 6.00%, 9/30/34                         |     | 1,550        | 1,451,187    |
| Verizon Communications, Inc. (d):                                 |     |              |              |
| 3.50%, 11/01/21                                                   |     | 500          | 504,673      |
| 6.40%, 2/15/38                                                    |     | 3,483        | 4,074,584    |
| 6.55%, 9/15/43                                                    |     | 3,376        | 4,132,838    |
| Windstream Corp., 7.75%, 10/15/20                                 |     | 120          | 129,000      |
|                                                                   |     |              | 12,208,520   |
| <b>Electric Utilities 5.5%</b>                                    |     |              |              |
| The Cleveland Electric Illuminating Co.:                          |     |              |              |
| 8.88%, 11/15/18                                                   |     | 121          | 153,474      |
| 5.95%, 12/15/36                                                   |     | 217          | 232,915      |
| CMS Energy Corp., 5.05%, 3/15/22                                  |     | 915          | 1,020,955    |
| Duke Energy Carolinas LLC:                                        |     |              |              |
| 6.10%, 6/01/37                                                    |     | 315          | 380,132      |
| 6.00%, 1/15/38 (d)                                                |     | 825          | 1,013,644    |
| 4.25%, 12/15/41 (d)                                               |     | 375          | 371,566      |
| Duke Energy Florida, Inc., 6.40%, 6/15/38 (d)                     |     | 430          | 558,509      |

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|                                                                  |       |            |
|------------------------------------------------------------------|-------|------------|
| E.ON International Finance BV, 6.65%, 4/30/38 (a)(d)             | 1,525 | 1,923,016  |
| Electricite de France SA, 5.60%, 1/27/40 (a)(d)                  | 1,400 | 1,526,206  |
| Florida Power Corp., 6.35%, 9/15/37 (d)                          | 1,325 | 1,709,018  |
| Hydro Quebec:                                                    |       |            |
| 9.40%, 2/01/21                                                   | 390   | 528,186    |
| Series HY, 8.40%, 1/15/22                                        | 730   | 966,389    |
| Series IO, 8.05%, 7/07/24 (d)                                    | 1,900 | 2,610,482  |
| Jersey Central Power & Light Co., 7.35%, 2/01/19                 | 245   | 295,236    |
| Ohio Power Co., Series D, 6.60%, 3/01/33                         | 1,500 | 1,847,529  |
| PacifiCorp, 6.25%, 10/15/37                                      | 575   | 725,618    |
| Public Service Co. of Colorado, Series 17, 6.25%,<br>9/01/37 (d) | 1,200 | 1,538,288  |
| Southern California Edison Co.:                                  |       |            |
| 5.63%, 2/01/36                                                   | 625   | 730,307    |
| Series 08-A, 5.95%, 2/01/38 (d)                                  | 1,075 | 1,322,313  |
| Virginia Electric and Power Co., Series A, 6.00%,<br>5/15/37 (d) | 2,000 | 2,446,640  |
|                                                                  |       | 21,900,423 |

|                                                                   | Par<br>(000) | Value      |
|-------------------------------------------------------------------|--------------|------------|
| <b>Corporate Bonds</b>                                            |              |            |
| <b>Energy Equipment &amp; Services 2.5%</b>                       |              |            |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)                          | USD 470      | \$ 491,150 |
| EnSCO PLC:                                                        |              |            |
| 3.25%, 3/15/16                                                    | 160          | 167,520    |
| 4.70%, 3/15/21 (d)                                                | 1,745        | 1,878,943  |
| EOG Resources, Inc., 2.63%, 3/15/23 (d)                           | 1,902        | 1,798,164  |
| Genesis Energy LP/Genesis Energy Finance Corp.,<br>5.75%, 2/15/21 | 71           | 72,953     |
| GrafTech International Ltd., 6.38%, 11/15/20                      | 580          | 595,950    |
| Noble Holding International Ltd., 5.25%, 3/15/42                  | 350          | 344,118    |
| Peabody Energy Corp.:                                             |              |            |
| 6.00%, 11/15/18                                                   | 1,251        | 1,354,207  |
| 6.25%, 11/15/21                                                   | 1,239        | 1,279,268  |
| Seadrill Ltd., 5.63%, 9/15/17 (a)                                 | 1,590        | 1,657,575  |
| Transocean, Inc., 6.50%, 11/15/20                                 | 350          | 395,837    |
|                                                                   |              | 10,035,685 |
| <b>Food &amp; Staples Retailing 0.1%</b>                          |              |            |
| Rite Aid Corp., 6.75%, 6/15/21                                    | 279          | 306,900    |
| <b>Food Products 1.1%</b>                                         |              |            |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (a)                   | 593          | 610,215    |
| Kraft Foods Group, Inc.:                                          |              |            |
| 5.38%, 2/10/20                                                    | 1,570        | 1,795,769  |
| 5.00%, 6/04/42                                                    | 997          | 1,039,201  |
| Pinnacle Foods Finance LLC, 4.88%, 5/01/21                        | 224          | 218,120    |
| Smithfield Foods, Inc. (a):                                       |              |            |
| 5.25%, 8/01/18                                                    | 329          | 345,039    |
| 5.88%, 8/01/21                                                    | 169          | 174,070    |
|                                                                   |              | 4,182,414  |
| <b>Gas Utilities 0.1%</b>                                         |              |            |
|                                                                   | 380          | 404,700    |

Suburban Propane Partners LP/Suburban Energy  
Finance Corp., 7.50%, 10/01/18

**Health Care Equipment & Supplies 0.4%**

|                                          |       |           |
|------------------------------------------|-------|-----------|
| Boston Scientific Corp., 6.25%, 11/15/15 | 1,251 | 1,361,822 |
| Teleflex, Inc., 6.88%, 6/01/19           | 385   | 409,063   |
|                                          |       | 1,770,885 |

**Health Care Providers & Services 4.3%**

Aviv Healthcare Properties LP/Aviv Healthcare Capital  
Corp.:

|                                                    |           |            |
|----------------------------------------------------|-----------|------------|
| 7.75%, 2/15/19                                     | 175       | 189,000    |
| 6.00%, 10/15/21                                    | 204       | 212,670    |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18 | 400       | 423,500    |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)      | EUR 494   | 721,076    |
| HCA, Inc.:                                         |           |            |
| 6.50%, 2/15/20                                     | USD 2,118 | 2,390,692  |
| 7.25%, 9/15/20                                     | 350       | 380,625    |
| 4.75%, 5/01/23                                     | 1,161     | 1,161,000  |
| LifePoint Hospitals, Inc., 5.50%, 12/01/21 (a)     | 278       | 290,858    |
| Symbion, Inc., 8.00%, 6/15/16                      | 455       | 478,887    |
| Tenet Healthcare Corp.:                            |           |            |
| 6.25%, 11/01/18                                    | 859       | 951,342    |
| 6.00%, 10/01/20 (a)                                | 622       | 668,650    |
| 4.50%, 4/01/21                                     | 383       | 382,043    |
| 4.38%, 10/01/21                                    | 1,765     | 1,742,937  |
| 8.13%, 4/01/22                                     | 1,157     | 1,295,840  |
| UnitedHealth Group, Inc., 2.88%, 3/15/22 (d)       | 2,000     | 1,947,356  |
| WellPoint, Inc., 4.65%, 1/15/43 (d)                | 4,005     | 3,901,383  |
|                                                    |           | 17,137,859 |

**Hotels, Restaurants & Leisure 2.8%**

|                                                   |           |           |
|---------------------------------------------------|-----------|-----------|
| MCE Finance Ltd., 5.00%, 2/15/21 (a)              | 935       | 932,662   |
| PNK Finance Corp., 6.38%, 8/01/21 (a)             | 274       | 286,330   |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (a) | 865       | 875,813   |
| The Unique Pub Finance Co. PLC:                   |           |           |
| Series A3, 6.54%, 3/30/21                         | GBP 1,851 | 3,257,899 |
| Series A4, 5.66%, 6/30/27                         | 639       | 1,074,774 |

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                     |     | Par<br>(000) | Value        |
|-------------------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                                              |     |              |              |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>                                |     |              |              |
| The Unique Pub Finance Co. PLC (concluded):                                         |     |              |              |
| Series M, 7.40%, 3/28/24                                                            | GBP | 1,500        | \$ 2,549,504 |
| Series N, 6.46%, 3/30/32                                                            |     | 1,195        | 1,780,969    |
| Wynn Macau Ltd., 5.25%, 10/15/21 (a)                                                | USD | 416          | 427,440      |
|                                                                                     |     |              | 11,185,391   |
| <b>Household Durables 0.9%</b>                                                      |     |              |              |
| Beazer Homes USA, Inc., 6.63%, 4/15/18                                              |     | 580          | 626,400      |
| Standard Pacific Corp., 10.75%, 9/15/16                                             |     | 2,100        | 2,551,500    |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (a)     |     | 372          | 368,280      |
|                                                                                     |     |              | 3,546,180    |
| <b>Household Products 0.1%</b>                                                      |     |              |              |
| Spectrum Brands, Inc.:                                                              |     |              |              |
| 6.38%, 11/15/20                                                                     |     | 200          | 218,000      |
| 6.63%, 11/15/22                                                                     |     | 275          | 299,750      |
|                                                                                     |     |              | 517,750      |
| <b>Independent Power Producers &amp; Energy Traders 0.4%</b>                        |     |              |              |
| Calpine Corp. (a):                                                                  |     |              |              |
| 7.50%, 2/15/21                                                                      |     | 48           | 52,920       |
| 6.00%, 1/15/22                                                                      |     | 137          | 145,220      |
| 5.88%, 1/15/24                                                                      |     | 194          | 198,850      |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc., 10.25%, 12/01/20 (a) |     |              |              |
|                                                                                     |     | 890          | 925,600      |
| NRG REMA LLC, Series C, 9.68%, 7/02/26                                              |     | 315          | 305,550      |
|                                                                                     |     |              | 1,628,140    |
| <b>Industrial Conglomerates 0.0%</b>                                                |     |              |              |
| Smiths Group PLC, 3.63%, 10/12/22 (a)                                               |     | 180          | 171,708      |
| <b>Insurance 4.7%</b>                                                               |     |              |              |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (a)              |     |              |              |
|                                                                                     |     | 613          | 651,313      |
| American International Group, Inc. (d):                                             |     |              |              |
| 3.80%, 3/22/17                                                                      |     | 5,580        | 5,994,421    |
| 5.45%, 5/18/17                                                                      |     | 800          | 899,886      |
| AXA SA, 5.25%, 4/16/40 (b)                                                          | EUR | 250          | 381,112      |
| Five Corners Funding Trust, 4.42%, 11/15/23 (a)                                     | USD | 1,025        | 1,045,951    |
| Hartford Financial Services Group, Inc.:                                            |     |              |              |
| 6.00%, 1/15/19                                                                      |     | 345          | 403,698      |
| 5.13%, 4/15/22                                                                      |     | 930          | 1,038,658    |
| Hartford Life Global Funding Trusts, 0.42%, 6/16/14 (b)                             |     |              |              |
|                                                                                     |     | 425          | 424,947      |
|                                                                                     |     | 1,000        | 1,168,444    |

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|                                                                      |              |              |
|----------------------------------------------------------------------|--------------|--------------|
| Liberty Mutual Group, Inc., 6.50%, 5/01/42                           |              |              |
| (a)                                                                  |              |              |
| Lincoln National Corp., 6.25%, 2/15/20                               | 630          | 739,147      |
| Manulife Financial Corp., 3.40%, 9/17/15 (d)                         | 1,630        | 1,695,335    |
| MetLife Global Funding I, 5.13%, 6/10/14 (a)                         | 775          | 785,014      |
| Montpelier Re Holdings Ltd., 4.70%,<br>10/15/22                      | 450          | 452,828      |
| MPL 2 Acquisition Canco, Inc., 9.88%,<br>8/15/18 (a)                 | 340          | 362,950      |
| Muenchener Rueckversicherungs AG,<br>6.00%, 5/26/41 (b)              | EUR 200      | 325,963      |
| Prudential Financial, Inc. (d):<br>7.38%, 6/15/19                    | USD 250      | 310,994      |
| 5.38%, 6/21/20                                                       | 250          | 286,878      |
| 4.50%, 11/15/20                                                      | 450          | 493,747      |
| 5.90%, 3/17/36                                                       | 500          | 572,316      |
| 5.70%, 12/14/36                                                      | 675          | 764,974      |
|                                                                      |              | 18,798,576   |
| <b>Internet Software &amp; Services 0.1%</b>                         |              |              |
| Equinix, Inc., 4.88%, 4/01/20                                        | 86           | 87,398       |
| VeriSign, Inc., 4.63%, 5/01/23                                       | 345          | 336,375      |
|                                                                      |              | 423,773      |
| <b>IT Services 0.5%</b>                                              |              |              |
| Ceridian HCM Holding, Inc., 11.00%,<br>3/15/21 (a)                   | 440          | 503,250      |
| First Data Corp. (a):<br>7.38%, 6/15/19                              | 775          | 839,906      |
| 6.75%, 11/01/20                                                      | 680          | 734,400      |
|                                                                      |              | 2,077,556    |
|                                                                      | <b>Par</b>   | <b>Value</b> |
|                                                                      | <b>(000)</b> |              |
| <b>Corporate Bonds</b>                                               |              |              |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                       |              |              |
| Agilent Technologies, Inc., 3.20%, 10/01/22                          | USD 250      | \$ 237,873   |
| <b>Machinery 0.1%</b>                                                |              |              |
| Allegion US Holding Co., Inc., 5.75%,<br>10/01/21 (a)                | 446          | 465,512      |
| <b>Marine 0.3%</b>                                                   |              |              |
| Nakilat, Inc., Series A, 6.07%, 12/31/33<br>(a)(d)                   | 1,050        | 1,127,437    |
| <b>Media 5.5%</b>                                                    |              |              |
| AMC Networks, Inc.:<br>7.75%, 7/15/21                                | 320          | 363,200      |
| 4.75%, 12/15/22                                                      | 343          | 344,715      |
| Cinemark USA, Inc., 5.13%, 12/15/22                                  | 175          | 175,875      |
| Clear Channel Communications, Inc.,<br>9.00%, 12/15/19               | 305          | 320,250      |
| Clear Channel Worldwide Holdings, Inc.,<br>Series B, 6.50%, 11/15/22 | 2,495        | 2,652,120    |
| Comcast Cable Communications Holdings,<br>Inc., 9.46%, 11/15/22 (d)  | 600          | 854,107      |

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|                                                                                               |       |            |
|-----------------------------------------------------------------------------------------------|-------|------------|
| Comcast Corp., 6.45%, 3/15/37 (d)                                                             | 790   | 972,161    |
| Cox Communications, Inc., 8.38%, 3/01/39<br>(a)                                               | 1,740 | 2,221,221  |
| DIRECTV Holdings LLC/DIRECTV<br>Financing Co., Inc.:                                          |       |            |
| 6.38%, 3/01/41                                                                                | 260   | 282,271    |
| 5.15%, 3/15/42                                                                                | 2,100 | 1,979,393  |
| Gray Television, Inc., 7.50%, 10/01/20                                                        | 332   | 361,880    |
| Live Nation Entertainment, Inc., 7.00%,<br>9/01/20 (a)                                        | 109   | 119,628    |
| NAI Entertainment Holdings/NAI<br>Entertainment Holdings Finance Corp.,<br>5.00%, 8/01/18 (a) | 292   | 304,410    |
| NBCUniversal Media LLC (d):                                                                   |       |            |
| 5.15%, 4/30/20                                                                                | 1,983 | 2,267,325  |
| 4.38%, 4/01/21                                                                                | 1,015 | 1,102,640  |
| News America, Inc., 7.63%, 11/30/28                                                           | 385   | 492,733    |
| Omnicom Group, Inc., 3.63%, 5/01/22 (d)                                                       | 2,355 | 2,349,136  |
| Sirius XM Holdings, Inc. (a):                                                                 |       |            |
| 4.25%, 5/15/20                                                                                | 559   | 546,422    |
| 4.63%, 5/15/23                                                                                | 275   | 258,500    |
| TCI Communications, Inc., 7.88%, 2/15/26                                                      | 610   | 811,342    |
| Time Warner, Inc.:                                                                            |       |            |
| 4.70%, 1/15/21                                                                                | 350   | 381,646    |
| 6.10%, 7/15/40                                                                                | 215   | 246,083    |
| Unitymedia Hessen GmbH & Co.<br>KG/Unitymedia NRW GmbH, 5.50%, 1/15/23<br>(a)                 | 255   | 263,925    |
| Univision Communications, Inc., 5.13%,<br>5/15/23 (a)                                         | 1,153 | 1,181,825  |
| Virgin Media Secured Finance PLC:                                                             |       |            |
| 6.50%, 1/15/18                                                                                | 525   | 544,031    |
| 5.38%, 4/15/21 (a)                                                                            | 395   | 406,850    |
|                                                                                               |       | 21,803,689 |
| <b>Metals &amp; Mining 3.9%</b>                                                               |       |            |
| Alcoa, Inc., 5.40%, 4/15/21                                                                   | 1,450 | 1,526,783  |
| ArcelorMittal:                                                                                |       |            |
| 9.50%, 2/15/15                                                                                | 262   | 280,995    |
| 4.25%, 2/25/15                                                                                | 174   | 178,133    |
| 4.25%, 8/05/15                                                                                | 173   | 178,406    |
| 5.00%, 2/25/17                                                                                | 213   | 227,644    |
| 6.13%, 6/01/18                                                                                | 313   | 344,300    |
| Commercial Metals Co., 4.88%, 5/15/23                                                         | 534   | 513,975    |
| Corp. Nacional del Cobre de Chile, 3.00%,<br>7/17/22 (a)                                      | 1,565 | 1,464,151  |
| Freeport-McMoRan Copper & Gold, Inc.:                                                         |       |            |
| 3.55%, 3/01/22                                                                                | 540   | 520,650    |
| 5.45%, 3/15/43                                                                                | 450   | 444,401    |
| New Gold, Inc., 6.25%, 11/15/22 (a)                                                           | 440   | 440,000    |
| Newcrest Finance Property Ltd., 4.45%,<br>11/15/21 (a)                                        | 475   | 427,125    |



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|                                                                      |       |            |
|----------------------------------------------------------------------|-------|------------|
| Novelis, Inc., 8.75%, 12/15/20 (d)                                   | 4,120 | 4,635,000  |
| Teck Resources Ltd., 5.38%, 10/01/15                                 | 2,359 | 2,519,372  |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (a) | 602   | 650,160    |
| Xstrata Canada Corp., 6.20%, 6/15/35                                 | 1,250 | 1,286,303  |
|                                                                      |       | 15,637,398 |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                          | Par<br>(000) | Value        |
|------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Corporate Bonds</b>                                                                   |              |              |
| <b>Multiline Retail 0.8%</b>                                                             |              |              |
| Dollar General Corp., 3.25%, 4/15/23                                                     | USD 2,000    | \$ 1,877,578 |
| Dufry Finance SCA, 5.50%, 10/15/20 (a)                                                   | 1,260        | 1,291,500    |
|                                                                                          |              | 3,169,078    |
| <b>Oil, Gas &amp; Consumable Fuels 10.1%</b>                                             |              |              |
| Access Midstream Partners LP/ACMP Finance Corp.,<br>6.13%, 7/15/22                       | 400          | 434,000      |
| Anadarko Petroleum Corp., 5.95%, 9/15/16                                                 | 1,916        | 2,140,122    |
| Antero Resources Finance Corp., 5.38%, 11/01/21 (a)                                      | 153          | 156,443      |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%,<br>4/15/21 (a)                           | 159          | 168,540      |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21                                               | 99           | 106,425      |
| BP Capital Markets PLC, 3.13%, 10/01/15                                                  | 330          | 343,467      |
| Burlington Resources Finance Co., 7.40%, 12/01/31                                        | 875          | 1,200,275    |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20                                                  | 400          | 440,000      |
| Cenovus Energy, Inc., 6.75%, 11/15/39                                                    | 750          | 936,535      |
| Chesapeake Energy Corp., 5.75%, 3/15/23                                                  | 615          | 661,125      |
| ConocoPhillips Canada Funding Co., 5.95%, 10/15/36<br>(d)                                | 535          | 651,552      |
| Continental Resources, Inc.:<br>5.00%, 9/15/22                                           | 2,000        | 2,095,000    |
| 4.50%, 4/15/23                                                                           | 113          | 117,009      |
| Crestwood Midstream Partners LP/Crestwood<br>Midstream Finance Corp., 6.13%, 3/01/22 (a) | 110          | 114,950      |
| Denbury Resources, Inc., 4.63%, 7/15/23                                                  | 623          | 587,177      |
| El Paso LLC, 7.80%, 8/01/31                                                              | 45           | 47,713       |
| El Paso Natural Gas Co., 8.38%, 6/15/32                                                  | 275          | 371,608      |
| Energy Transfer Partners LP, 7.50%, 7/01/38                                              | 500          | 611,026      |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                                             | 455          | 497,087      |
| Enterprise Products Operating LLC, 6.13%, 10/15/39                                       | 700          | 808,920      |
| KeySpan Gas East Corp., 5.82%, 4/01/41 (a)                                               | 505          | 596,536      |
| Kinder Morgan Energy Partners LP:<br>6.50%, 9/01/39 (d)                                  | 3,000        | 3,378,939    |
| 6.55%, 9/15/40                                                                           | 110          | 125,405      |
| 6.38%, 3/01/41                                                                           | 150          | 167,060      |
| Kinder Morgan, Inc., 5.63%, 11/15/23 (a)                                                 | 170          | 170,886      |
| Kodiak Oil & Gas Corp.:<br>8.13%, 12/01/19                                               | 110          | 122,375      |
| 5.50%, 2/01/22                                                                           | 106          | 108,915      |
| Linn Energy LLC/Linn Energy Finance Corp., 7.25%,<br>11/01/19 (a)                        | 237          | 247,073      |
| Marathon Petroleum Corp., 6.50%, 3/01/41                                                 | 997          | 1,204,125    |
| MarkWest Energy Partners LP/MarkWest Energy<br>Finance Corp.:<br>6.25%, 6/15/22          | 73           | 78,840       |
| 4.50%, 7/15/23                                                                           | 25           | 24,219       |

|                                                                                      |       |           |
|--------------------------------------------------------------------------------------|-------|-----------|
| Memorial Production Partners LP/Memorial<br>Production Finance Corp., 7.63%, 5/01/21 | 212   | 223,660   |
| MidAmerican Energy Co., 5.80%, 10/15/36                                              | 700   | 841,000   |
| MidAmerican Energy Holdings Co. (d):<br>5.95%, 5/15/37                               | 800   | 935,694   |
| 6.50%, 9/15/37                                                                       | 1,900 | 2,372,226 |
| Nexen, Inc., 7.50%, 7/30/39                                                          | 1,000 | 1,314,199 |
| Oasis Petroleum, Inc., 6.88%, 3/15/22 (a)                                            | 276   | 299,460   |
| Pacific Drilling SA, 5.38%, 6/01/20 (a)                                              | 368   | 372,600   |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%,<br>2/15/20                             | 47    | 51,583    |
| PDC Energy, Inc., 7.75%, 10/15/22                                                    | 260   | 284,050   |
| Petrobras International Finance Co.:<br>3.88%, 1/27/16                               | 1,340 | 1,376,850 |
| 5.75%, 1/20/20                                                                       | 1,725 | 1,795,244 |
| Pioneer Natural Resources Co., 3.95%, 7/15/22                                        | 350   | 358,300   |
| Premier Oil PLC, 5.00%, 6/09/18                                                      | 1,900 | 1,976,000 |

|                                                                                     | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Corporate Bonds</b>                                                              |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                  |                      |              |
| Range Resources Corp.:                                                              |                      |              |
| 5.75%, 6/01/21                                                                      | USD 107              | \$ 115,025   |
| 5.00%, 8/15/22                                                                      | 26                   | 26,780       |
| 5.00%, 3/15/23                                                                      | 62                   | 63,085       |
| Regency Energy Partners LP/Regency Energy<br>Finance Corp., 4.50%, 11/01/23         | 249                  | 232,815      |
| RKI Exploration & Production LLC/RKI Finance Corp.,<br>8.50%, 8/01/21 (a)           | 118                  | 126,850      |
| Rosetta Resources, Inc., 5.63%, 5/01/21                                             | 239                  | 246,170      |
| Sabine Pass Liquefaction LLC (a):                                                   |                      |              |
| 5.63%, 2/01/21                                                                      | 1,787                | 1,831,675    |
| 6.25%, 3/15/22                                                                      | 398                  | 411,930      |
| 5.63%, 4/15/23                                                                      | 468                  | 459,810      |
| SandRidge Energy, Inc.:                                                             |                      |              |
| 8.75%, 1/15/20                                                                      | 35                   | 37,888       |
| 7.50%, 2/15/23                                                                      | 382                  | 403,010      |
| Summit Midstream Holdings LLC/Summit Midstream<br>Finance Corp., 7.50%, 7/01/21 (a) | 386                  | 409,160      |
| Ultra Petroleum Corp., 5.75%, 12/15/18 (a)                                          | 357                  | 373,957      |
| Western Gas Partners LP, 5.38%, 6/01/21                                             | 710                  | 766,303      |
| Whiting Petroleum Corp., 5.00%, 3/15/19                                             | 821                  | 868,207      |
| The Williams Cos., Inc., Series A, 7.50%, 1/15/31                                   | 2,500                | 2,703,510    |
|                                                                                     |                      | 39,990,388   |
| <b>Paper &amp; Forest Products 0.3%</b>                                             |                      |              |
| International Paper Co.:                                                            |                      |              |
| 7.50%, 8/15/21                                                                      | 75                   | 94,734       |
| 4.75%, 2/15/22                                                                      | 420                  | 455,447      |
| 6.00%, 11/15/41                                                                     | 435                  | 504,517      |
| NewPage Corp., 11.38%, 12/31/14 (f)(g)                                              | 397                  |              |
|                                                                                     |                      | 1,054,698    |

**Pharmaceuticals 1.1%**

|                                                                       |     |       |           |
|-----------------------------------------------------------------------|-----|-------|-----------|
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)                          | EUR | 200   | 303,694   |
| Forest Laboratories, Inc. (a):                                        |     |       |           |
| 4.38%, 2/01/19                                                        | USD | 228   | 243,960   |
| 5.00%, 12/15/21                                                       |     | 379   | 405,530   |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%,<br>12/01/19 (a) |     | 520   | 582,400   |
| Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (a)                        |     | 162   | 173,340   |
| Valeant Pharmaceuticals International, Inc. (a):                      |     |       |           |
| 6.75%, 8/15/18                                                        |     | 1,321 | 1,456,402 |
| 6.38%, 10/15/20                                                       |     | 575   | 628,188   |
| 5.63%, 12/01/21                                                       |     | 376   | 399,030   |
|                                                                       |     |       | 4,192,544 |

**Real Estate Investment Trusts (REITs) 0.7%**

|                                                          |  |       |           |
|----------------------------------------------------------|--|-------|-----------|
| Felcor Lodging LP, 5.63%, 3/01/23                        |  | 247   | 248,235   |
| Simon Property Group LP, 4.75%, 3/15/42                  |  | 835   | 862,855   |
| Ventas Realty LP/Ventas Capital Corp., 4.75%,<br>6/01/21 |  | 275   | 295,968   |
| Vornado Realty LP, 5.00%, 1/15/22                        |  | 1,185 | 1,267,491 |
|                                                          |  |       | 2,674,549 |

**Real Estate Management & Development 0.6%**

|                                                                          |  |     |           |
|--------------------------------------------------------------------------|--|-----|-----------|
| Lennar Corp., 4.75%, 11/15/22                                            |  | 440 | 420,200   |
| Realogy Corp. (a)(d):                                                    |  |     |           |
| 7.88%, 2/15/19                                                           |  | 374 | 405,790   |
| 7.63%, 1/15/20                                                           |  | 520 | 583,700   |
| The Realogy Group LLC/Sunshine Group Florida Ltd.,<br>3.38%, 5/01/16 (a) |  | 476 | 480,760   |
| WEA Finance LLC, 4.63%, 5/10/21 (a)                                      |  | 305 | 331,447   |
|                                                                          |  |     | 2,221,897 |

**Road & Rail 0.7%**

|                                                  |  |     |           |
|--------------------------------------------------|--|-----|-----------|
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40 |  | 950 | 1,093,459 |
| See Notes to Financial Statements.               |  |     |           |

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**BlackRock Core Bond Trust (BHK)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                                              |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--------------------------------------------------------------------------------------------------------------|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                                                                                       |     |                      |              |
| <b>Road &amp; Rail (concluded)</b>                                                                           |     |                      |              |
| The Hertz Corp.:                                                                                             |     |                      |              |
| 4.25%, 4/01/18                                                                                               | USD | 236                  | \$ 243,670   |
| 5.88%, 10/15/20                                                                                              |     | 230                  | 243,800      |
| 7.38%, 1/15/21                                                                                               |     | 620                  | 682,000      |
| 6.25%, 10/15/22                                                                                              |     | 385                  | 407,138      |
|                                                                                                              |     |                      | 2,670,067    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>                                                     |     |                      |              |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21                                                                       |     |                      |              |
| (a)                                                                                                          |     | 470                  | 500,550      |
| <b>Software 0.7%</b>                                                                                         |     |                      |              |
| Activision Blizzard, Inc. (a):                                                                               |     |                      |              |
| 5.63%, 9/15/21                                                                                               |     | 538                  | 578,350      |
| 6.13%, 9/15/23                                                                                               |     | 188                  | 203,980      |
| Nuance Communications, Inc., 5.38%,<br>8/15/20 (a)                                                           |     | 1,085                | 1,087,712    |
| Oracle Corp., 5.38%, 7/15/40                                                                                 |     | 775                  | 874,294      |
|                                                                                                              |     |                      | 2,744,336    |
| <b>Specialty Retail 0.7%</b>                                                                                 |     |                      |              |
| The Home Depot, Inc., 5.88%, 12/16/36 (d)                                                                    |     |                      |              |
|                                                                                                              |     | 830                  | 1,002,708    |
| New Academy Finance Co. LLC/New<br>Academy Finance Corp., 8.00% (8.00%<br>Cash or 8.75% PIK), 6/15/18 (a)(h) |     |                      |              |
|                                                                                                              |     | 244                  | 249,490      |
| QVC, Inc. (a):                                                                                               |     |                      |              |
| 7.50%, 10/01/19                                                                                              |     | 395                  | 422,577      |
| 7.38%, 10/15/20                                                                                              |     | 975                  | 1,056,440    |
|                                                                                                              |     |                      | 2,731,215    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>                                                             |     |                      |              |
| PVH Corp., 4.50%, 12/15/22                                                                                   |     |                      |              |
|                                                                                                              |     | 490                  | 482,650      |
| SIWF Merger Sub, Inc., 6.25%, 6/01/21 (a)                                                                    |     | 402                  | 412,050      |
| The William Carter Co., 5.25%, 8/15/21 (a)                                                                   |     | 328                  | 336,200      |
|                                                                                                              |     |                      | 1,230,900    |
| <b>Thriffs &amp; Mortgage Finance 0.4%</b>                                                                   |     |                      |              |
| Radian Group, Inc., 5.38%, 6/15/15                                                                           |     |                      |              |
|                                                                                                              |     | 1,400                | 1,442,000    |
| <b>Tobacco 1.2%</b>                                                                                          |     |                      |              |
| Altria Group, Inc.:                                                                                          |     |                      |              |
| 9.95%, 11/10/38                                                                                              |     | 258                  | 409,215      |
| 10.20%, 2/06/39                                                                                              |     | 447                  | 726,926      |
| 5.38%, 1/31/44 (d)                                                                                           |     | 2,015                | 2,103,188    |
| Lorillard Tobacco Co., 7.00%, 8/04/41                                                                        |     | 500                  | 564,870      |
| Reynolds American, Inc., 4.75%, 11/01/42                                                                     |     | 1,050                | 986,403      |
|                                                                                                              |     |                      | 4,790,602    |
| <b>Wireless Telecommunication Services<br/>2.3%</b>                                                          |     |                      |              |
| America Movil SAB de CV, 2.38%, 9/08/16                                                                      |     |                      |              |
|                                                                                                              |     | 795                  | 821,235      |
|                                                                                                              |     | 465                  | 476,625      |

|                                                     |       |                    |
|-----------------------------------------------------|-------|--------------------|
| Crown Castle International Corp., 5.25%,<br>1/15/23 |       |                    |
| Crown Castle Towers LLC, 6.11%, 1/15/40<br>(a)      | 1,560 | 1,794,003          |
| Digicel Group Ltd., 8.25%, 9/30/20 (a)              | 460   | 486,450            |
| Digicel Ltd., 6.00%, 4/15/21 (a)                    | 750   | 753,750            |
| Rogers Communications, Inc., 7.50%,<br>8/15/38 (d)  | 1,150 | 1,487,496          |
| SBA Tower Trust, 5.10%, 4/15/42 (a)                 | 360   | 389,724            |
| Sprint Communications, Inc. (a):<br>9.00%, 11/15/18 | 530   | 649,250            |
| 7.00%, 3/01/20                                      | 888   | 1,025,640          |
| Sprint Corp., 7.88%, 9/15/23 (a)                    | 1,041 | 1,152,908          |
|                                                     |       | 9,037,081          |
| <b>Total Corporate Bonds 82.4%</b>                  |       | <b>327,737,066</b> |

**Foreign Agency Obligations**

|                                                           |     |       |                  |
|-----------------------------------------------------------|-----|-------|------------------|
| Iceland Government International Bond,<br>5.88%, 5/11/22  |     | 1,775 | 1,897,031        |
| Italian Republic, 5.38%, 6/15/33                          |     | 455   | 495,923          |
| Slovenia Government International Bond:<br>4.38%, 4/02/14 | EUR | 1,600 | 2,214,488        |
| 4.13%, 2/18/19 (a)                                        | USD | 375   | 385,312          |
| 5.85%, 5/10/23 (a)                                        |     | 432   | 464,400          |
| <b>Total Foreign Agency Obligations 1.4%</b>              |     |       | <b>5,457,154</b> |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued) (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>13.4%</b>                                                                                   |              |            |
| Banc of America Merrill Lynch Commercial Mortgage Trust, Class A4:                             |              |            |
| Series 2007-1, 5.45%, 1/15/49                                                                  | USD 500      | \$ 540,428 |
| Series 2007-2, 5.63%, 4/10/49 (b)                                                              | 750          | 834,683    |
| Bear Stearns Commercial Mortgage Securities, Series 2005-PWR9, Class A4A, 4.87%, 9/11/42       | 800          | 836,736    |
| Citigroup Commercial Mortgage Trust (b):                                                       |              |            |
| Series 2008-C7, Class A4, 6.14%, 12/10/49                                                      | 1,370        | 1,564,040  |
| Series 2013-GC15, Class B, 5.11%, 9/10/46                                                      | 3,590        | 3,812,910  |
| Series 2013-GC15, Class XA, 1.30%, 9/10/46                                                     | 13,247       | 975,984    |
| Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2006-CD3, Class AM, 5.65%, 10/15/48  |              |            |
|                                                                                                | 1,093        | 1,203,310  |
| Commercial Mortgage Trust:                                                                     |              |            |
| Series 2006-C7, Class AM, 5.78%, 6/10/46 (b)                                                   | 1,750        | 1,896,850  |
| Series 2013-CR11, Class B, 5.16%, 10/10/46 (b)                                                 | 3,495        | 3,747,559  |
| Series 2013-CR11, Class C, 5.17%, 10/10/46 (a)(b)                                              | 3,260        | 3,357,637  |
| Series 2013-LC6, Class B, 3.74%, 1/10/46                                                       | 695          | 674,666    |
| Series 2013-LC6, Class D, 4.29%, 1/10/46 (a)(b)                                                | 835          | 744,465    |
| Credit Suisse Commercial Mortgage Trust:                                                       |              |            |
| Series 2006-C3, Class AM, 5.79%, 6/15/38 (b)                                                   | 1,000        | 1,085,837  |
| Series 2006-C5, Class AM, 5.34%, 12/15/39                                                      | 1,750        | 1,889,493  |
| Series 2010-RR2, Class 2A, 5.76%, 9/15/39 (a)(b)                                               | 1,010        | 1,106,872  |
| Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class AJ, 4.77%, 7/15/37 |              |            |
|                                                                                                | 705          | 725,041    |
| DBRR Trust, Series 2011-C32, Class A3A, 5.75%, 6/17/49 (a)(b)                                  |              |            |
|                                                                                                | 365          | 409,873    |
| Greenwich Capital Commercial Funding Corp., Series 2006-GG7, Class A4, 5.82%, 7/10/38 (b)      |              |            |
|                                                                                                | 1,141        | 1,246,375  |
| GS Mortgage Securities Corp. II, Series 2013-GC10, Class B, 3.68%, 2/10/46 (a)                 |              |            |
|                                                                                                | 1,250        | 1,194,840  |
| Hilton USA Trust, Series 2013-HLT, 4.41%, 11/05/30 (a)                                         |              |            |
|                                                                                                | 2,950        | 3,019,195  |
| JPMorgan Chase Commercial Mortgage Securities Trust.:                                          |              |            |
| Series 2004-CB8, Class A1A, 4.16%, 1/12/39 (a)                                                 | 338          | 337,891    |
| Series 2004-LN2, Class A2, 5.12%, 7/15/41                                                      | 712          | 717,398    |
| Series 2006-CB14, Class AM, 5.45%, 12/12/44 (b)                                                | 330          | 355,051    |
| LB-UBS Commercial Mortgage Trust (b):                                                          |              |            |
| Series 2004-C8, Class C, 4.93%, 12/15/39                                                       | 1,385        | 1,409,981  |
| Series 2007-C6, Class A4, 5.86%, 7/15/40                                                       | 5,168        | 5,575,843  |
| Series 2007-C7, Class A3, 5.87%, 9/15/45                                                       | 1,103        | 1,258,000  |
|                                                                                                | 4,000        | 4,410,380  |

|                                                                                        |     |       |            |
|----------------------------------------------------------------------------------------|-----|-------|------------|
| Morgan Stanley Capital I Trust, Series 2007-HQ11, Class A4, 5.45%, 2/12/44 (b)         |     |       |            |
| Morgan Stanley Reremic Trust, Series 2011, Class A, 2.50%, 3/23/51 (a)                 |     | 185   | 187,657    |
| RCMC LLC, Series 2012-CRE1, Class A, 5.62%, 11/15/44 (a)                               |     | 851   | 874,145    |
| Titan Europe PLC, Series 2007-1X, Class A, 0.77%, 1/20/17 (b)                          | GBP | 1,607 | 2,476,300  |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class A4, 5.93%, 2/15/51 (b) | USD | 2,185 | 2,410,957  |
| WF-RBS Commercial Mortgage Trust:                                                      |     |       |            |
| Series 2012-C8, Class B, 4.31%, 8/15/45                                                |     | 695   | 708,077    |
| Series 2012-C8, Class C, 4.88%, 8/15/45 (b)                                            |     | 895   | 925,730    |
| Series 2013-C11, Class D, 4.18%, 3/15/45 (a)(b)                                        |     | 800   | 723,634    |
|                                                                                        |     |       | 53,237,838 |

|                                                                                                     |     | Par<br>(000) | Value        |
|-----------------------------------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b>                                                        |     |              |              |
| <b>Interest Only Commercial Mortgage-Backed Securities 1.1%</b>                                     |     |              |              |
| Morgan Stanley Bank of America Merrill Lynch Trust, Series 2012-C5, Class XA, 1.88%, 8/15/45 (a)(b) | USD | 15,646       | \$ 1,459,301 |
| Morgan Stanley Capital I Trust, Series 2012-C4, Class XA, 2.66%, 3/15/45 (a)(b)                     |     | 9,403        | 1,141,749    |
| WF-RBS Commercial Mortgage Trust, Class XA (a)(b):                                                  |     |              |              |
| Series 2012-C8, 2.23%, 8/15/45                                                                      |     | 5,987        | 691,793      |
| Series 2012-C9, 2.25%, 11/15/45                                                                     |     | 10,642       | 1,302,976    |
|                                                                                                     |     |              | 4,595,819    |
| <b>Total Non-Agency Mortgage-Backed Securities 16.0%</b>                                            |     |              | 63,757,115   |

**US Government Sponsored Agency Securities****Agency Obligations 2.5%**

|                                          |  |       |            |
|------------------------------------------|--|-------|------------|
| Fannie Mae (d):                          |  |       |            |
| 0.00%, 10/09/19 (i)                      |  | 7,055 | 6,115,627  |
| 5.63%, 7/15/37 (j)                       |  | 775   | 963,991    |
| Federal Home Loan Bank (d):              |  |       |            |
| 5.25%, 12/09/22                          |  | 675   | 793,306    |
| 5.37%, 9/09/24                           |  | 1,075 | 1,267,069  |
| Resolution Funding Corp., 0.00%, 7/15/18 |  |       |            |
| 10/15/18 (i)                             |  | 1,050 | 981,071    |
|                                          |  |       | 10,121,064 |

**Collateralized Mortgage Obligations 0.1%**

|                                                                                 |  |     |         |
|---------------------------------------------------------------------------------|--|-----|---------|
| Fannie Mae Mortgage-Backed Securities, Series 2005-5, Class PK, 5.00%, 12/25/34 |  | 317 | 338,299 |
|---------------------------------------------------------------------------------|--|-----|---------|

**Commercial Mortgage-Backed Securities 0.7%**

|                                                |  |       |           |
|------------------------------------------------|--|-------|-----------|
| Freddie Mac Mortgage-Backed Securities (b):    |  |       |           |
| Series 2012-K706, Class C, 4.02%, 11/25/44 (a) |  | 165   | 165,328   |
| Series 2013-K24, Class B, 3.50%, 11/25/45 (a)  |  | 1,750 | 1,647,200 |
| Series K013, Class A2, 3.97%, 1/25/21          |  | 940   | 1,020,903 |



|                                                                    |              |            |
|--------------------------------------------------------------------|--------------|------------|
|                                                                    |              | 2,833,431  |
| <b>Interest Only Collateralized Mortgage Obligations</b>           | <b>2.1%</b>  |            |
| Fannie Mae Mortgage-Backed Securities:                             |              |            |
| Series 2012-47, Class NI, 4.50%, 4/25/42                           | 5,198        | 1,161,020  |
| Series 2012-96, Class DI, 4.00%, 2/25/27                           | 6,743        | 797,199    |
| Series 2012-M9, Class X1, 4.07%, 12/25/17 (b)                      | 12,552       | 1,583,300  |
| Freddie Mac Mortgage-Backed Securities:                            |              |            |
| Series 2611, Class QI, 5.50%, 9/15/32                              | 960          | 101,343    |
| Series K707, Class X1, 1.56%, 12/25/18 (b)                         | 2,485        | 160,090    |
| Series K710, Class X1, 1.78%, 5/25/19 (b)                          | 8,591        | 677,660    |
| Ginnie Mae Mortgage-Backed Securities (b):                         |              |            |
| Series 2009-116, Class KS, 6.32%, 12/16/39                         | 2,899        | 498,357    |
| Series 2009-78, Class SD, 6.05%, 9/20/32                           | 5,312        | 983,356    |
| Series 2011-52, Class NS, 6.52%, 4/16/41                           | 14,557       | 2,224,752  |
|                                                                    |              | 8,187,077  |
| <b>Mortgage-Backed Securities</b>                                  | <b>7.3%</b>  |            |
| Fannie Mae Mortgage-Backed Securities:                             |              |            |
| 3.00%, 3/01/44 (k)                                                 | 16,300       | 15,833,285 |
| 4.00%, 12/01/41                                                    | 3,117        | 3,270,874  |
| 4.50%, 7/01/41                                                     | 3,846        | 4,133,783  |
| 5.00%, 8/01/34                                                     | 2,374        | 2,603,951  |
| 5.50%, 6/01/38                                                     | 1,455        | 1,610,322  |
| 6.00%, 12/01/38                                                    | 1,191        | 1,325,650  |
| Freddie Mac Mortgage-Backed Securities, 6.00%,<br>3/01/14 12/01/18 |              |            |
|                                                                    | 299          | 312,380    |
| Ginnie Mae Mortgage-Backed Securities, 5.50%,<br>8/15/33           |              |            |
|                                                                    | 64           | 70,868     |
|                                                                    |              | 29,161,113 |
| <b>Total US Government Sponsored Agency Securities</b>             | <b>12.7%</b> | 50,640,984 |
| See Notes to Financial Statements.                                 |              |            |

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**BlackRock Core Bond Trust (BHK)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                      |              | <b>Par<br/>(000)</b> | <b>Value</b>      |
|--------------------------------------|--------------|----------------------|-------------------|
| <b>US Treasury Obligations</b>       |              |                      |                   |
| US Treasury Bonds:                   |              |                      |                   |
| 8.13%, 8/15/21 (d)                   | USD          | 1,550                | \$ 2,189,254      |
| 6.25%, 8/15/23 (d)                   |              | 5,085                | 6,688,763         |
| 3.50%, 2/15/39 (d)                   |              | 330                  | 329,794           |
| 4.25%, 5/15/39 (d)                   |              | 6,045                | 6,821,408         |
| 4.38%, 5/15/40 (d)                   |              | 6,375                | 7,336,229         |
| 4.75%, 2/15/41 (d)                   |              | 1,630                | 1,986,817         |
| 4.38%, 5/15/41 (d)                   |              | 800                  | 920,500           |
| 3.13%, 11/15/41 (d)                  |              | 9,930                | 9,149,562         |
| 3.13%, 2/15/42 (d)                   |              | 6,268                | 5,765,582         |
| 3.00%, 5/15/42 (d)                   |              | 2,730                | 2,445,056         |
| 3.13%, 2/15/43 (d)                   |              | 2,337                | 2,137,168         |
| US Treasury Notes:                   |              |                      |                   |
| 2.25%, 7/31/18 (d)                   |              | 495                  | 515,148           |
| 1.75%, 5/15/22                       |              | 156                  | 148,407           |
| <b>Total US Treasury Obligations</b> | <b>11.7%</b> |                      | <b>46,433,688</b> |

**Preferred Securities****Capital Trusts****Capital Markets 0.8%**

|                                                              |  |       |           |
|--------------------------------------------------------------|--|-------|-----------|
| The Bank of New York Mellon Corp., Series D,<br>4.50% (b)(k) |  | 1,698 | 1,572,772 |
| Credit Suisse Group AG, 7.50% (a)(b)(l)                      |  | 1,500 | 1,648,200 |
| State Street Capital Trust IV, 1.24%, 6/01/77<br>(b)         |  | 70    | 54,250    |
|                                                              |  |       | 3,275,222 |

**Commercial Banks 0.5%**

|                                          |  |       |           |
|------------------------------------------|--|-------|-----------|
| BNP Paribas SA, 7.20% (a)(b)(l)          |  | 1,000 | 1,058,750 |
| Wachovia Capital Trust III, 5.57% (b)(l) |  | 1,025 | 991,688   |
|                                          |  |       | 2,050,438 |

**Diversified Financial Services 1.8%**

|                                                           |  |       |           |
|-----------------------------------------------------------|--|-------|-----------|
| Citigroup, Inc., Series D, 5.35% (b)(l)                   |  | 1,050 | 984,375   |
| General Electric Capital Corp., Series B,<br>6.25% (b)(l) |  | 900   | 965,250   |
| JPMorgan Chase & Co. (b)(l):                              |  |       |           |
| Series 1, 7.90%                                           |  | 3,500 | 3,927,700 |
| Series Q, 5.15%                                           |  | 1,500 | 1,417,500 |
|                                                           |  |       | 7,294,825 |

**Electric Utilities 0.5%**

|                                           |  |       |           |
|-------------------------------------------|--|-------|-----------|
| Electricite de France SA, 5.25% (a)(b)(l) |  | 2,100 | 2,114,700 |
|-------------------------------------------|--|-------|-----------|

**Insurance 3.7%**

|                                            |  |       |           |
|--------------------------------------------|--|-------|-----------|
| The Allstate Corp. (b):                    |  |       |           |
| 5.75%, 8/15/53                             |  | 1,000 | 1,040,100 |
| 6.50%, 5/15/67 (d)                         |  | 1,950 | 2,035,312 |
| American International Group, Inc., 8.18%, |  | 970   | 1,249,166 |

|                                                |       |           |
|------------------------------------------------|-------|-----------|
| 5/15/68 (b)                                    |       |           |
| AXA SA, 6.46% (a)(b)(I)                        | 1,025 | 1,068,562 |
| Genworth Holdings, Inc., 6.15%, 11/15/66 (b)   | 1,150 | 1,058,437 |
| Liberty Mutual Group, Inc., 7.00%, 3/07/67 (b) | 975   | 1,016,438 |
| Lincoln National Corp., 6.05%, 4/20/67 (b)     | 675   | 669,938   |

#### Notes to Schedule of Investments

- (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) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                                                                                                                  | Value     | Unrealized<br>Appreciation |
|-------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------|
| Credit Suisse Securities (USA) LLC                                                                                            | \$236,797 | \$1,787                    |
| (d) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements. |           |                            |
| (e) Convertible security.                                                                                                     |           |                            |
| See Notes to Financial Statements.                                                                                            |           |                            |

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

- (f) Non-income producing security.  
 (g) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.  
 (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.  
 (i) Zero-coupon bond.  
 (j) All or a portion of security has been pledged in connection with open financial futures contracts.  
 (k) Represents or includes a TBA transaction. Unsettled TBA transactions as of February 28, 2014 were as follows:

| Counterparty                                                                                                                                                                           | Value        | Unrealized Appreciation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------|
| Goldman Sachs & Co.                                                                                                                                                                    | \$15,833,285 | \$24,832                |
| (l) Security is perpetual in nature and has no stated maturity date.                                                                                                                   |              |                         |
| (m) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows: |              |                         |

| Affiliate                                                | Shares Held at August 31, 2013 | Net Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Shares Held at February 28, 2014 | Income  |
|----------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 5,335,491                      | (2,274,016)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3,061,475                        | \$1,205 |
| (n)                                                      |                                | 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 the investment advisor. 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 February 28, 2014 were as follows: |                                  |         |

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|------------|---------------------------------------|
| BNP Paribas Securities Corp.       | 0.35%         | 2/22/13    | Open          | \$ 883,000 | \$ 886,460                            |
| BNP Paribas Securities Corp.       | 0.35%         | 2/22/13    | Open          | 1,243,000  | 1,247,870                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 2/01/13    | Open          | 1,875,750  | 1,882,917                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 2/01/13    | Open          | 1,797,390  | 1,804,258                             |
| Deutsche Bank Securities, Inc.     | (0.05)%       | 2/07/13    | Open          | 2,194,387  | 2,193,070                             |
| Deutsche Bank Securities, Inc.     | 0.05%         | 2/07/13    | Open          | 6,155,487  | 6,162,586                             |

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|                                             |                                 |           |           |
|---------------------------------------------|---------------------------------|-----------|-----------|
| UBS Securities LLC                          | 0.34% <sup>2</sup> /07/13Open   | 642,000   | 644,347   |
| UBS Securities LLC                          | 0.34% <sup>2</sup> /07/13Open   | 1,095,375 | 1,099,379 |
| BNP Paribas Securities Corp.                | 0.32% <sup>2</sup> /08/13Open   | 1,968,000 | 1,974,752 |
| BNP Paribas Securities Corp.                | 0.32% <sup>2</sup> /08/13Open   | 505,000   | 506,733   |
| BNP Paribas Securities Corp.                | 0.02% <sup>2</sup> /14/13Open   | 9,942,412 | 9,950,649 |
| BNP Paribas Securities Corp.                | 0.33% <sup>2</sup> /14/13Open   | 1,020,000 | 1,023,553 |
| BNP Paribas Securities Corp.                | 0.34% <sup>2</sup> /28/13Open   | 2,269,000 | 2,276,843 |
| BNP Paribas Securities Corp.                | 0.34% <sup>2</sup> /28/13Open   | 1,109,000 | 1,112,833 |
| BNP Paribas Securities Corp.                | 0.33% <sup>3</sup> /07/13Open   | 1,884,000 | 1,890,200 |
| BNP Paribas Securities Corp.                | 0.33% <sup>3</sup> /07/13Open   | 2,313,000 | 2,320,612 |
| BNP Paribas Securities Corp.                | 0.33% <sup>3</sup> /11/13Open   | 879,000   | 881,860   |
| BNP Paribas Securities Corp.                | 0.33% <sup>3</sup> /11/13Open   | 983,000   | 986,199   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 553,137   | 554,922   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 480,937   | 482,489   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 995,362   | 998,575   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 544,531   | 546,288   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 304,000   | 304,981   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 5,725,080 | 5,743,559 |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 727,819   | 730,168   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 369,609   | 370,802   |
| Barclays Capital, Inc.                      | 0.35% <sup>4</sup> /02/13Open   | 280,250   | 281,155   |
| BNP Paribas Securities Corp.                | 0.02% <sup>4</sup> /02/13Open   | 2,719,762 | 2,721,438 |
| BNP Paribas Securities Corp.                | 0.03% <sup>4</sup> /02/13Open   | 533,363   | 533,686   |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | (0.03)% <sup>0</sup> /02/13Open | 7,246,125 | 7,242,517 |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 0.02% <sup>4</sup> /02/13Open   | 7,563,806 | 7,568,206 |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 0.07% <sup>4</sup> /02/13Open   | 875,812   | 876,572   |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 0.07% <sup>4</sup> /02/13Open   | 1,097,844 | 1,098,797 |
| BNP Paribas Securities Corp.                | 0.06% <sup>4</sup> /03/13Open   | 851,538   | 852,281   |
| Credit Suisse Securities (USA) LLC          | 0.35% <sup>4</sup> /03/13Open   | 1,648,500 | 1,653,805 |
| Credit Suisse Securities (USA) LLC          | 0.35% <sup>4</sup> /03/13Open   | 3,437,844 | 3,448,907 |
| Credit Suisse Securities (USA) LLC          | 0.35% <sup>4</sup> /03/13Open   | 2,020,500 | 2,027,002 |
| Credit Suisse Securities (USA) LLC          | 0.35% <sup>4</sup> /03/13Open   | 1,700,969 | 1,706,443 |
| UBS Securities LLC                          | 0.32% <sup>4</sup> /11/13Open   | 1,630,000 | 1,634,694 |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of February 28, 2014 were as follows (concluded):

| Counterparty                                | Interest Rate | Trade Date | Maturity Date | Face Value     | Face Value Including Accrued Interest |
|---------------------------------------------|---------------|------------|---------------|----------------|---------------------------------------|
| UBS Securities LLC                          | 0.40%         | 4/11/13    | Open          | \$ 4,055,063   | \$ 4,073,514                          |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 0.00%         | 4/25/13    | Open          | 8,430,938      | 8,433,416                             |
| BNP Paribas Securities Corp.                | 0.00%         | 4/29/13    | Open          | 1,039,000      | 1,039,175                             |
| BNP Paribas Securities Corp.                | 0.05%         | 4/29/13    | Open          | 377,850        | 377,991                               |
| BNP Paribas Securities Corp.                | 0.34%         | 5/24/13    | Open          | 1,342,000      | 1,345,562                             |
| Barclays Capital, Inc.                      | 0.60%         | 6/03/13    | Open          | 3,258,750      | 3,273,414                             |
| Barclays Capital, Inc.                      | 0.35%         | 6/24/13    | Open          | 3,334,398      | 3,342,502                             |
| BNP Paribas Securities Corp.                | 0.03%         | 6/24/13    | Open          | 5,876,250      | 5,878,271                             |
| Deutsche Bank Securities, Inc.              | 0.34%         | 8/29/13    | Open          | 1,850,000      | 1,853,197                             |
| Credit Suisse Securities (USA) LLC          | 0.05%         | 9/17/13    | Open          | 2,199,063      | 2,199,883                             |
| BNP Paribas Securities Corp.                | 0.34%         | 9/30/13    | Open          | 3,569,000      | 3,574,123                             |
| BNP Paribas Securities Corp.                | 0.36%         | 9/30/13    | Open          | 2,294,000      | 2,297,487                             |
| BNP Paribas Securities Corp.                | 0.36%         | 9/30/13    | Open          | 871,000        | 872,324                               |
| BNP Paribas Securities Corp.                | 0.36%         | 9/30/13    | Open          | 1,529,000      | 1,531,324                             |
| Deutsche Bank Securities, Inc.              | 0.00%         | 10/03/13   | Open          | 348,000        | 348,900                               |
| BNP Paribas Securities Corp.                | 0.35%         | 10/22/13   | Open          | 4,540,900      | 4,546,595                             |
| Credit Suisse Securities (USA) LLC          | 0.35%         | 10/22/13   | Open          | 2,125,413      | 2,128,078                             |
| UBS Securities LLC                          | 0.28%         | 2/10/14    | Open          | 3,373,000      | 3,373,472                             |
| UBS Securities LLC                          | 0.32%         | 2/10/14    | Open          | 2,369,000      | 2,369,379                             |
| UBS Securities LLC                          | 0.32%         | 2/10/14    | Open          | 2,457,000      | 2,457,393                             |
| UBS Securities LLC                          | 0.32%         | 2/10/14    | Open          | 1,348,000      | 1,348,216                             |
| UBS Securities LLC                          | 0.32%         | 2/10/14    | Open          | 2,289,000      | 2,289,366                             |
| UBS Securities LLC                          | 0.32%         | 2/10/14    | Open          | 1,355,000      | 1,355,217                             |
| UBS Securities LLC                          | 0.32%         | 2/10/14    | Open          | 1,416,000      | 1,416,227                             |
| UBS Securities LLC                          | 0.33%         | 2/10/14    | Open          | 1,073,000      | 1,073,177                             |
| UBS Securities LLC                          | 0.34%         | 2/10/14    | Open          | 1,233,000      | 1,233,210                             |
| UBS Securities LLC                          | 0.34%         | 2/10/14    | Open          | 3,805,000      | 3,805,647                             |
| UBS Securities LLC                          | 0.34%         | 2/10/14    | Open          | 1,410,000      | 1,410,240                             |
| UBS Securities LLC                          | 0.34%         | 2/10/14    | Open          | 1,139,000      | 1,139,194                             |
| UBS Securities LLC                          | 0.34%         | 2/10/14    | Open          | 827,000        | 827,141                               |
| UBS Securities LLC                          | 0.34%         | 2/10/14    | Open          | 1,853,000      | 1,853,315                             |
| UBS Securities LLC                          | 0.40%         | 2/10/14    | Open          | 496,000        | 496,099                               |
| Credit Suisse Securities (USA) LLC          | 0.12%         | 2/12/13    | 13/14         | 12,546,860     | 12,547,529                            |
| <b>Total</b>                                |               |            |               | \$ 166,096,074 | \$ 166,332,986                        |

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts Purchased (Sold) | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation (Depreciation) |
|----------------------------|-------|----------|------------|----------------|----------------------------------------|
|----------------------------|-------|----------|------------|----------------|----------------------------------------|

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|       |                             |                        |           |     |            |            |
|-------|-----------------------------|------------------------|-----------|-----|------------|------------|
| 3     | 2-Year US Treasury Note     | Chicago Board of Trade | June 2014 | USD | 13,852,125 | \$ 3,332   |
| 1     | 5-Year US Treasury Note     | Chicago Board of Trade | June 2014 | USD | 24,331,453 | 28,900     |
| 4     | Long US Treasury Bond       | Chicago Board of Trade | June 2014 | USD | 29,406,813 | 264,217    |
| 67)   | Ultra Long US Treasury Bond | Chicago Board of Trade | June 2014 | USD | 23,549,375 | 264,784    |
| total | 10-Year US Treasury Note    | Chicago Board of Trade | June 2014 | USD | 58,156,094 | (176,033)  |
|       |                             |                        |           |     |            | \$ 385,200 |

Foreign currency exchange contracts outstanding as of February 28, 2014 were as follows:

| Currency Purchased |            | Currency Sold |           | Counterparty      | Settlement Date | Unrealized Depreciation |
|--------------------|------------|---------------|-----------|-------------------|-----------------|-------------------------|
| USD                | 4,628,198  | EUR           | 3,404,000 | Barclays Bank PLC | 4/22/14         | \$ (70,262)             |
| USD                | 10,417,258 | GBP           | 6,350,000 | Barclays Bank PLC | 4/22/14         | (212,272)               |
| USD                | 165,551    | GBP           | 100,000   | Citibank N.A.     | 4/22/14         | (1,843)                 |
| USD                | 163,289    | GBP           | 99,000    | UBS AG            | 4/22/14         | (2,432)                 |
| <b>Total</b>       |            |               |           |                   |                 | <b>\$ (286,809)</b>     |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued)

OTC interest rate swaptions purchased as of February 28, 2014 were as follows:

| Description            | Counterparty         | Put/Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value    |
|------------------------|----------------------|----------|---------------|---------------------------|---------------------|-----------------|-----------------------|-----------------|
| Year<br>rest<br>e Swap | Deutsche Bank AG     | Call     | 1.68%         | Receive                   | 3-month LIBOR       | 1/06/15         | USD 2,500             | \$33,906        |
| Year<br>rest<br>e Swap | Bank of America N.A. | Put      | 0.60%         | Pay                       | 3-month LIBOR       | 10/02/14        | USD 49,900            | 24,732          |
| Year<br>rest<br>e Swap | Deutsche Bank AG     | Put      | 1.68%         | Pay                       | 3-month LIBOR       | 1/06/15         | USD 2,500             | 14,573          |
| Year<br>rest<br>e Swap | Deutsche Bank AG     | Put      | 4.50%         | Pay                       | 3-month LIBOR       | 3/16/17         | USD 6,300             | 203,53          |
| Year<br>rest<br>e Swap | Deutsche Bank AG     | Put      | 4.50%         | Pay                       | 3-month LIBOR       | 5/22/18         | USD 6,000             | 276,34          |
| <b>Total</b>           |                      |          |               |                           |                     |                 |                       | <b>\$553,09</b> |

OTC interest rate swaptions written as of February 28, 2014 were as follows:

| Counterparty             | Put/Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value |
|--------------------------|----------|---------------|---------------------------|---------------------|-----------------|-----------------------|--------------|
| Barclays Bank PLC        | Call     | 1.50%         | Pay                       | 3-month LIBOR       | 4/08/14         | USD 15,200            | \$           |
| JPMorgan Chase Bank N.A. | Call     | 1.35%         | Pay                       | 3-month LIBOR       | 7/11/14         | USD 15,500            |              |
| Barclays Bank PLC        | Call     | 3.26%         | Pay                       | 3-month LIBOR       | 11/14/14        | USD 6,200             |              |
| JPMorgan Chase Bank N.A. | Call     | 3.25%         | Pay                       | 3-month LIBOR       | 11/14/14        | USD 6,200             |              |
| Deutsche Bank AG         | Call     | 2.85%         | Pay                       | 3-month LIBOR       | 11/17/14        | USD 7,500             |              |
| Deutsche Bank AG         | Call     | 3.28%         | Pay                       | 3-month LIBOR       | 1/30/15         | USD 2,500             |              |
| Deutsche Bank AG         | Call     | 2.80%         | Pay                       | 3-month LIBOR       | 2/10/15         | USD 2,700             |              |



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|                          |     |       |         |               |          |     |        |
|--------------------------|-----|-------|---------|---------------|----------|-----|--------|
| JPMorgan Chase Bank N.A. | Put | 2.00% | Receive | 3-month LIBOR | 4/08/14  | USD | 15,200 |
| JPMorgan Chase Bank N.A. | Put | 2.00% | Receive | 3-month LIBOR | 7/11/14  | USD | 15,500 |
| Barclays Bank PLC        | Put | 3.26% | Receive | 3-month LIBOR | 11/14/14 | USD | 6,200  |
| JPMorgan Chase Bank N.A. | Put | 3.25% | Receive | 3-month LIBOR | 11/14/14 | USD | 6,200  |
| Deutsche Bank AG         | Put | 3.70% | Receive | 3-month LIBOR | 11/17/14 | USD | 7,500  |
| Deutsche Bank AG         | Put | 3.28% | Receive | 3-month LIBOR | 1/30/15  | USD | 2,500  |
| Deutsche Bank AG         | Put | 3.80% | Receive | 3-month LIBOR | 2/10/15  | USD | 2,700  |
| Bank of America N.A.     | Put | 3.70% | Receive | 3-month LIBOR | 2/25/15  | USD | 1,500  |
| Deutsche Bank AG         | Put | 4.15% | Receive | 3-month LIBOR | 2/26/16  | USD | 6,000  |
| Citibank N.A.            | Put | 4.15% | Receive | 3-month LIBOR | 2/29/16  | USD | 6,000  |
| Deutsche Bank AG         | Put | 6.00% | Receive | 3-month LIBOR | 3/16/17  | USD | 12,600 |
| Deutsche Bank AG         | Put | 6.00% | Receive | 3-month LIBOR | 5/22/18  | USD | 12,000 |

Centrally cleared interest rate swaps outstanding as of February 28, 2014 were as follows:

| Fixed Rate         | Floating Rate | Clearinghouse      | Effective Date       | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|--------------------|----------------------|-----------------|-----------------------|----------------------------------------|
| 0.56% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A                  | 6/25/15         | USD 20,900            | \$ (70,978)                            |
| 1.56% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | 7/03/14 <sup>2</sup> | 8/31/18         | USD 28,300            | (61,126)                               |
| 2.29% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | 6/30/14 <sup>2</sup> | 2/15/21         | USD 17,500            | 5,856                                  |

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|                    |                  |                       |     |         |     |        |              |
|--------------------|------------------|-----------------------|-----|---------|-----|--------|--------------|
| 3.65% <sup>1</sup> | 3-month<br>LIBOR | Chicago<br>Mercantile | N/A | 2/27/44 | USD | 11,400 | (172,313)    |
| 3.59% <sup>1</sup> | 3-month<br>LIBOR | Chicago<br>Mercantile | N/A | 3/04/44 | USD | 5,900  | (15,920)     |
| <b>Total</b>       |                  |                       |     |         |     |        | \$ (314,481) |

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

<sup>2</sup> Forward swap.

OTC credit default swaps buy protection outstanding as of February 28, 2014 were as follows:

| <u>Issuer/Index</u>                              | <u>Pay<br/>Fixed<br/>Rate</u> | <u>Counterparty</u> | <u>Expiration<br/>Date</u> | <u>Notional<br/>Amount<br/>-(000)</u> | <u>Market<br/>Value</u> | <u>Premiums<br/>Paid</u> | <u>Unrealized<br/>Depreciation</u> |
|--------------------------------------------------|-------------------------------|---------------------|----------------------------|---------------------------------------|-------------------------|--------------------------|------------------------------------|
| Radian Group, Inc.                               | 5.00%                         | Citibank N.A.       | 6/20/15                    | USD 1,400                             | \$(74,960)              | \$21,192                 | \$(96,152 )                        |
| The New York Times<br>Co.                        | 1.00%                         | Barclays Bank PLC   | 12/20/16                   | USD 1,800                             | (22,011)                | 70,542                   | (92,553 )                          |
| Australia & New<br>Zealand Banking Group<br>Ltd. | 1.00%                         | Deutsche Bank AG    | 9/20/17                    | USD 1                                 | (8)                     | 11                       | (19 )                              |
| Westpac Banking Corp.                            | 1.00%                         | Deutsche Bank AG    | 9/20/17                    | USD 1                                 | (8)                     | 11                       | (19 )                              |
| <b>Total</b>                                     |                               |                     |                            |                                       | \$ (96,987)             | \$ 91,756                | \$ (188,743)                       |

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued)

OTC credit default swaps sold protection outstanding as of February 28, 2014 were as follows:

| Issuer          | Receive<br>Fixed Rate | Counterparty                        | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Market<br>Value | Premiums<br>Received | Unrealized<br>Appreciation |
|-----------------|-----------------------|-------------------------------------|--------------------|-------------------------------|------------------------------------------|-----------------|----------------------|----------------------------|
| Rosneft Oil Co. | 1.50%                 | HSBC Bank PLC                       | 6/12/14            | BBB                           | USD1,875                                 | \$(2,208)       | \$(5,464)            | \$ 3,256                   |
| MetLife, Inc.   | 1.00%                 | Morgan Stanley Capital Services LLC | 9/20/16            | A-                            | USD900                                   | 14,190          | (37,809)             | 51,999                     |
| MetLife, Inc.   | 1.00%                 | Deutsche Bank AG                    | 9/20/16            | A-                            | USD730                                   | 11,510          | (31,273)             | 42,783                     |
| MetLife, Inc.   | 1.00%                 | Morgan Stanley Capital Services LLC | 9/20/16            | A-                            | USD275                                   | 4,336           | (10,304)             | 14,640                     |
| MetLife, Inc.   | 1.00%                 | Goldman Sachs Bank USA              | 9/20/16            | A-                            | USD500                                   | 7,884           | (20,846)             | 28,730                     |
| MetLife, Inc.   | 1.00%                 | Credit Suisse International         | 9/20/16            | A-                            | USD535                                   | 8,435           | (25,063)             | 33,498                     |
| MetLife, Inc.   | 1.00%                 | Citibank N.A.                       | 12/20/16           | A-                            | USD298                                   | 4,905           | (12,155)             | 17,060                     |
| MetLife, Inc.   | 1.00%                 | Citibank N.A.                       | 12/20/16           | A-                            | USD285                                   | 4,678           | (12,624)             | 17,302                     |
| <b>Total</b>    |                       |                                     |                    |                               |                                          | \$ 53,730       | \$(155,538)          | \$ 209,268                 |

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

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 or liabilities that the Trust has the ability to access

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)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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, please refer to Note 2 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 February 28, 2014:

|                                           | Level 1             | Level 2              | Level 3             | Total                |
|-------------------------------------------|---------------------|----------------------|---------------------|----------------------|
| <b>Assets:</b>                            |                     |                      |                     |                      |
| Investments:                              |                     |                      |                     |                      |
| Long-Term Investments:                    |                     |                      |                     |                      |
| Common Stocks                             |                     |                      | \$ 142,760          | \$ 142,760           |
| Asset-Backed Securities                   |                     | \$ 19,110,911        | 3,036,861           | 22,147,772           |
| Corporate Bonds                           |                     | 321,376,941          | 6,360,125           | 327,737,066          |
| Foreign Agency Obligations                |                     | 5,457,154            |                     | 5,457,154            |
| Municipal Bonds                           |                     | 11,969,479           |                     | 11,969,479           |
| Non-Agency Mortgage-Backed Securities     |                     | 63,757,115           |                     | 63,757,115           |
| US Government Sponsored Agency Securities |                     | 50,640,984           |                     | 50,640,984           |
| US Treasury Obligations                   |                     | 46,433,688           |                     | 46,433,688           |
| Preferred Securities                      | \$ 5,947,382        | 29,210,422           |                     | 35,157,804           |
| Short-Term Securities                     | 3,061,475           |                      |                     | 3,061,475            |
| Options Purchased:                        |                     |                      |                     |                      |
| Interest Rate Contracts                   |                     | 553,090              |                     | 553,090              |
| <b>Total</b>                              | <b>\$ 9,008,857</b> | <b>\$548,509,784</b> | <b>\$ 9,539,746</b> | <b>\$567,058,387</b> |

|                                               | Level 1           | Level 2               | Level 3 | Total                 |
|-----------------------------------------------|-------------------|-----------------------|---------|-----------------------|
| Derivative Financial Instruments <sup>3</sup> |                   |                       |         |                       |
| <b>Assets:</b>                                |                   |                       |         |                       |
| Credit contracts                              |                   | \$ 209,268            |         | \$ 209,268            |
| Interest rate contracts                       | \$ 561,233        | 5,856                 |         | 567,089               |
| <b>Liabilities:</b>                           |                   |                       |         |                       |
| Credit contracts                              |                   | (188,743)             |         | (188,743)             |
| Foreign currency exchange contracts           |                   | (286,809)             |         | (286,809)             |
| Interest rate contracts                       | (176,033)         | (2,076,329)           |         | (2,252,362)           |
| <b>Total</b>                                  | <b>\$ 385,200</b> | <b>\$ (2,336,757)</b> |         | <b>\$ (1,951,557)</b> |

<sup>3</sup> Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options written. Swaps, financial futures contracts and foreign currency exchange contracts

are valued at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (concluded)

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                                              | Level 1             | Level 2                | Level 3 | Total                  |
|--------------------------------------------------------------|---------------------|------------------------|---------|------------------------|
| <b>Assets:</b>                                               |                     |                        |         |                        |
| Cash                                                         | \$ 119,353          |                        |         | \$ 119,353             |
| Foreign currency at value                                    | 9,163               |                        |         | 9,163                  |
| Cash pledged as collateral for over-the-counter swaps        | 1,400,000           |                        |         | 1,400,000              |
| Cash pledged as collateral for reverse repurchase agreements | 4,800,000           |                        |         | 4,800,000              |
| Cash pledged for centrally cleared swaps                     | 1,475,000           |                        |         | 1,475,000              |
| Cash pledged for financial futures contracts                 | 532,000             |                        |         | 532,000                |
| <b>Liabilities:</b>                                          |                     |                        |         |                        |
| Reverse repurchase agreements                                |                     | \$(166,332,986)        |         | \$(166,332,986)        |
| <b>Total</b>                                                 | <b>\$ 8,335,516</b> | <b>\$(166,332,986)</b> |         | <b>\$(157,997,470)</b> |

There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2014.

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

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

|                                                                                                            | Common Stocks     | Asset-Backed Securities | Corporate Bonds     | Total               |
|------------------------------------------------------------------------------------------------------------|-------------------|-------------------------|---------------------|---------------------|
| <b>Assets:</b>                                                                                             |                   |                         |                     |                     |
| Beginning Balance, as of August 31, 2013                                                                   | \$ 137,600        | \$ 10,951,144           | \$ 6,284,125        | \$ 17,372,869       |
| Transfers into Level 3                                                                                     |                   |                         |                     |                     |
| Transfers out of Level 3 <sup>1</sup>                                                                      |                   | (5,933,960)             |                     | (5,933,960)         |
| Realized discounts/premiums                                                                                |                   | (152,007)               |                     | (152,007)           |
| Realized gain (loss)                                                                                       |                   | 26,459                  |                     | 26,459              |
| Change in unrealized appreciation/depreciation <sup>2,3</sup>                                              | 5,160             | 121,778                 | 76,000              | 202,938             |
| Net changes                                                                                                |                   | (1,976,553)             |                     | (1,976,553)         |
| <b>Ending Balance, as of February 28, 2014</b>                                                             | <b>\$ 142,760</b> | <b>\$ 3,036,861</b>     | <b>\$ 6,360,125</b> | <b>\$ 9,539,746</b> |
| Change in unrealized appreciation/depreciation on investments still held at February 28, 2014 <sup>3</sup> | \$ 5,160          | \$ 131,518              | \$ 76,000           | \$ 212,678          |

<sup>1</sup> As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of February 28, 2014, the Trust used observable inputs in determining the value of the

same investments. As a result, investments with a beginning of period value of \$5,933,960 transferred from Level 3 to Level 2 in the disclosure hierarchy.

- <sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.
- <sup>3</sup> Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at February 28, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

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

See Notes to Financial Statements.

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

Consolidated Schedule of Investments February 28, 2014 (unaudited) (Percentages shown are based on Net Assets)

| <b>Common Stocks</b>                               | <b>Shares</b> | <b>Value</b> |
|----------------------------------------------------|---------------|--------------|
| <b>Airlines 0.3%</b>                               |               |              |
| American Airlines Group, Inc. (a)                  | 78,136        | \$ 2,885,563 |
| Delta Air Lines, Inc.                              | 64,807        | 2,152,240    |
| Southwest Airlines Co.                             | 30,009        | 673,402      |
|                                                    |               | 5,711,205    |
| <b>Auto Components 1.3%</b>                        |               |              |
| The Goodyear Tire & Rubber Co.                     | 838,811       | 22,538,852   |
| Lear Corp.                                         | 1,032         | 83,798       |
|                                                    |               | 22,622,650   |
| <b>Automobiles 0.4%</b>                            |               |              |
| General Motors Co. (a)                             | 189,697       | 6,867,031    |
| <b>Biotechnology 0.0%</b>                          |               |              |
| Ironwood Pharmaceuticals, Inc. (a)                 | 36,488        | 529,441      |
| <b>Capital Markets 2.1%</b>                        |               |              |
| American Capital Ltd. (a)                          | 1,875,455     | 29,182,080   |
| E*Trade Financial Corp. (a)                        | 246,100       | 5,529,867    |
| Uranium Participation Corp. (a)                    | 176,860       | 942,359      |
|                                                    |               | 35,654,306   |
| <b>Chemicals 0.8%</b>                              |               |              |
| Advanced Emissions Solutions, Inc. (a)             | 84,290        | 4,543,231    |
| Huntsman Corp.                                     | 365,661       | 8,907,502    |
|                                                    |               | 13,450,733   |
| <b>Communications Equipment 0.7%</b>               |               |              |
| Loral Space & Communications, Inc. (a)             | 64,904        | 5,128,714    |
| Nokia OYJ - ADR (a)                                | 877,870       | 6,654,255    |
|                                                    |               | 11,782,969   |
| <b>Containers &amp; Packaging 0.0%</b>             |               |              |
| Smurfit Kappa Group PLC                            | 12,980        | 362,493      |
| <b>Diversified Financial Services 2.7%</b>         |               |              |
| Ally Financial, Inc.                               | 3,702         | 31,189,350   |
| Citigroup, Inc.                                    | 161,430       | 7,850,341    |
| Kcad Holdings I Ltd.                               | 1,563,279,160 | 6,096,789    |
|                                                    |               | 45,136,480   |
| <b>Diversified Telecommunication Services 0.3%</b> |               |              |
| Broadview Networks Holdings, Inc. (a)              | 192,400       | 846,558      |
| Level 3 Communications, Inc. (a)                   | 115,920       | 4,268,174    |
|                                                    |               | 5,114,732    |
| <b>Electrical Equipment 0.0%</b>                   |               |              |
| Medis Technologies Ltd. (a)                        | 365,353       | 4            |
| <b>Energy Equipment &amp; Services 0.7%</b>        |               |              |
| Laricina Energy Ltd. (a)                           | 211,764       | 6,590,253    |
| Osum Oil Sands Corp. (a)                           | 400,000       | 4,255,396    |
|                                                    |               | 10,845,649   |
| <b>Health Care Providers &amp; Services 0.0%</b>   |               |              |
| HealthSouth Corp.                                  | 1,468         | 47,977       |
| <b>Hotels, Restaurants &amp; Leisure 0.1%</b>      |               |              |



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|                                                  |            |            |
|--------------------------------------------------|------------|------------|
| Travelport Worldwide Ltd. (a)                    | 750,741    | 1,289,022  |
| <b>Insurance 0.7%</b>                            |            |            |
| American International Group, Inc.               | 237,705    | 11,830,578 |
| <b>Media 0.0%</b>                                |            |            |
| Clear Channel Outdoor Holdings, Inc.,<br>Class A | 47,653     | 478,913    |
| <b>Metals &amp; Mining 0.1%</b>                  |            |            |
| African Minerals Ltd. (a)                        | 225,302    | 558,742    |
| Peninsula Energy Ltd. (a)                        | 38,619,091 | 896,005    |
|                                                  |            | 1,454,747  |
| <b>Oil, Gas &amp; Consumable Fuels 0.2%</b>      |            |            |
| African Petroleum Corp. Ltd. (a)                 | 331,833    | 71,067     |
| General Maritime Corp. (a)                       | 173,147    | 3,203,219  |
|                                                  |            | 3,274,286  |

| <b>Common Stocks</b>                                     | <b>Shares</b> | <b>Value</b> |
|----------------------------------------------------------|---------------|--------------|
| <b>Paper &amp; Forest Products 0.9%</b>                  |               |              |
| Ainsworth Lumber Co., Ltd. (a)                           | 2,147,503     | \$ 8,137,483 |
| Ainsworth Lumber Co., Ltd. (a)(b)                        | 614,940       | 2,332,473    |
| NewPage Holdings, Inc.                                   | 47,380        | 3,932,540    |
| Western Forest Products, Inc.                            | 621,145       | 1,428,799    |
|                                                          |               | 15,831,295   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |               |              |
| SunPower Corp. (a)                                       | 1,025         | 33,958       |
| <b>Software 0.2%</b>                                     |               |              |
| HMH Holdings/EduMedia (a)                                | 206,188       | 3,980,253    |
| <b>Trading Companies &amp; Distributors 0.2%</b>         |               |              |
| HD Supply Holdings, Inc. (a)                             | 115,400       | 2,685,358    |
| <b>Wireless Telecommunication Services 0.2%</b>          |               |              |
| Crown Castle International Corp. (a)                     | 39,003        | 2,960,328    |
| <b>Total Common Stocks 11.9%</b>                         |               | 201,944,408  |

|                                                                    | <b>Par<br/>(000)</b> |            |
|--------------------------------------------------------------------|----------------------|------------|
| <b>Asset-Backed Securities (c)(d)</b>                              |                      |            |
| ALM Loan Funding:                                                  |                      |            |
| Series 2013-7R2A, Class B, 2.84%,<br>4/24/24                       | USD                  | 1,897,461  |
| Series 2013-7RA, Class C, 3.69%,<br>4/24/24                        |                      | 5,501,888  |
| Series 2013-7RA, Class D, 5.24%,<br>4/24/24                        |                      | 2,234,636  |
| OZLM Funding III Ltd., Series<br>2013-3A, Class A1, 1.57%, 1/22/25 |                      | 905,488    |
| Race Point CLO Ltd., Series 2012-7A,<br>Class A, 1.66%, 11/08/24   |                      | 1,247,828  |
| <b>Total Asset-Backed Securities 0.7%</b>                          |                      | 11,787,301 |

|                                   |       |           |
|-----------------------------------|-------|-----------|
| <b>Corporate Bonds</b>            |       |           |
| <b>Aerospace 0.1%</b>             |       |           |
| Windstream Corp., 7.75%, 10/01/21 | 1,720 | 1,857,600 |

**Aerospace & Defense 0.4%**

|                                                                             |       |           |
|-----------------------------------------------------------------------------|-------|-----------|
| CTP Transportation Products LLC /<br>CTP Finance, Inc., 8.25%, 12/15/19 (c) | 2,675 | 2,855,562 |
| Huntington Ingalls Industries, Inc.:<br>6.88%, 3/15/18                      | 1,015 | 1,098,738 |
| 7.13%, 3/15/21                                                              | 1,405 | 1,563,062 |
| Meccanica Holdings USA, Inc., 6.25%,<br>7/15/19 (c)                         | 1,140 | 1,207,553 |
|                                                                             |       | 6,724,915 |

**Air Freight & Logistics 0.1%**

|                                                    |       |           |
|----------------------------------------------------|-------|-----------|
| National Air Cargo Group, Inc.:<br>12.38%, 8/16/15 | 1,286 | 1,285,666 |
| 12.38%, 9/02/15                                    | 1,263 | 1,262,893 |
|                                                    |       | 2,548,559 |

**Airlines 3.0%**

|                                                                                          |       |            |
|------------------------------------------------------------------------------------------|-------|------------|
| American Airlines Pass-Through Trust,<br>Series 2013-2, Class C, 6.00%,<br>1/15/17 (c)   | 6,420 | 6,660,750  |
| Continental Airlines Pass-Through<br>Trust:<br>Series 1997-4, Class B, 6.90%,<br>7/02/18 | 333   | 348,254    |
| Series 2012-3, Class C, 6.13%,<br>4/29/18                                                | 5,145 | 5,447,269  |
| Delta Air Lines Pass-Through Trust,<br>Class B:<br>Series 2009-1, 9.75%, 6/17/18         | 899   | 1,020,719  |
| Series 2010-1, 6.38%, 7/02/17 (c)                                                        | 2,647 | 2,832,290  |
| US Airways Pass-Through Trust:<br>Series 2011-1, Class C, 10.88%,<br>10/22/14            | 1,996 | 2,076,247  |
| Series 2012-1, Class C, 9.13%,<br>10/01/15                                               | 1,970 | 2,088,401  |
| Series 2012-2, Class C, 5.45%,<br>6/03/18                                                | 5,720 | 5,834,400  |
| Series 2013-1, Class B, 5.38%,<br>5/15/23                                                | 5,255 | 5,340,394  |
| Virgin Australia Trust, Series 2013-1<br>(c):<br>Class C, 7.13%, 10/23/18                | 9,290 | 9,615,150  |
| Class D, 8.50%, 10/23/16                                                                 | 9,235 | 9,403,241  |
|                                                                                          |       | 50,667,115 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                         |     | Par<br>(000) | Value        |
|-------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                                  |     |              |              |
| <b>Auto Components 2.6%</b>                                             |     |              |              |
| Affinia Group, Inc., 7.75%, 5/01/21                                     | USD | 3,109        | \$ 3,357,720 |
| Autodis SA, 6.50%, 2/01/19                                              | EUR | 265          | 371,083      |
| BrightHouse Group PLC, 7.88%, 5/15/18                                   | GBP | 400          | 704,450      |
| Chrysler Group LLC/CG Co-Issuer, Inc.,<br>8.25%, 6/15/21 (c)            | USD | 2,920        | 3,306,900    |
| Dana Holding Corp., 6.75%, 2/15/21                                      |     | 200          | 218,500      |
| Delphi Corp., 6.13%, 5/15/21                                            |     | 420          | 467,250      |
| Icahn Enterprises LP/Icahn Enterprises<br>Finance Corp. (c):            |     |              |              |
| 3.50%, 3/15/17                                                          |     | 3,264        | 3,304,800    |
| 4.88%, 3/15/19                                                          |     | 5,938        | 6,056,760    |
| 6.00%, 8/01/20                                                          |     | 3,150        | 3,323,250    |
| 5.88%, 2/01/22                                                          |     | 2,002        | 2,042,040    |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (c)                                 |     | 2,155        | 2,225,038    |
| Jaguar Land Rover Automotive PLC:                                       |     |              |              |
| 8.25%, 3/15/20                                                          | GBP | 2,269        | 4,312,496    |
| 5.00%, 2/15/22                                                          |     | 1,555        | 2,649,496    |
| Rhino Bondco SpA, 7.25%, 11/15/20                                       | EUR | 490          | 714,561      |
| Schaeffler Holding Finance BV (b):                                      |     |              |              |
| 6.88%, 8/15/18                                                          |     | 1,660        | 2,445,961    |
| 6.88% (6.88% Cash or 7.63% PIK), 8/15/18<br>(c)                         | USD | 2,400        | 2,556,000    |
| Servus Luxembourg Holdings SCA, 7.75%,<br>6/15/18                       | EUR | 1,286        | 1,912,066    |
| Titan International, Inc., 6.88%, 10/01/20<br>(c)                       | USD | 2,505        | 2,649,037    |
| UCI International, Inc., 8.63%, 2/15/19                                 |     | 1,710        | 1,645,875    |
|                                                                         |     |              | 44,263,283   |
| <b>Auto Parts 0.1%</b>                                                  |     |              |              |
| PetroLogistics LP/PetroLogistics Finance<br>Corp., 6.25%, 4/01/20       |     | 947          | 961,205      |
| <b>Automobiles 0.6%</b>                                                 |     |              |              |
| Ford Motor Co., 4.25%, 11/15/16 (e)                                     |     | 160          | 288,400      |
| General Motors Co. (c):                                                 |     |              |              |
| 4.88%, 10/02/23                                                         |     | 940          | 984,650      |
| 6.25%, 10/02/43                                                         |     | 7,410        | 8,206,575    |
|                                                                         |     |              | 9,479,625    |
| <b>Beverages 0.0%</b>                                                   |     |              |              |
| Crown European Holdings SA, 7.13%,<br>8/15/18                           | EUR | 92           | 134,385      |
| <b>Building Products 1.9%</b>                                           |     |              |              |
| American Builders & Contractors Supply<br>Co., Inc., 5.63%, 4/15/21 (c) | USD | 3,710        | 3,812,025    |
| Builders FirstSource, Inc., 7.63%, 6/01/21<br>(c)                       |     | 2,058        | 2,202,060    |

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|                                                                               |       |            |
|-------------------------------------------------------------------------------|-------|------------|
| Building Materials Corp. of America (c):                                      |       |            |
| 7.00%, 2/15/20                                                                | 3,130 | 3,356,925  |
| 6.75%, 5/01/21                                                                | 3,320 | 3,602,200  |
| Cemex SAB de CV, 5.88%, 3/25/19 (c)                                           | 1,335 | 1,375,050  |
| CPG Merger Sub LLC, 8.00%, 10/01/21 (c)                                       | 3,590 | 3,859,250  |
| Momentive Performance Materials, Inc.,<br>8.88%, 10/15/20                     | 3,493 | 3,737,510  |
| Ply Gem Industries, Inc., 6.50%, 2/01/22 (c)                                  | 3,550 | 3,603,250  |
| Roofing Supply Group LLC/Roofing Supply<br>Finance, Inc., 10.00%, 6/01/20 (c) | 1,220 | 1,360,300  |
| USG Corp., 9.75%, 1/15/18                                                     | 3,935 | 4,751,512  |
|                                                                               |       | 31,660,082 |

**Capital Markets 0.5%**

|                                           |       |           |
|-------------------------------------------|-------|-----------|
| American Capital Ltd., 6.50%, 9/15/18 (c) | 3,840 | 4,089,600 |
| E*Trade Financial Corp. (e)(f):           |       |           |
| 0.00%, 8/31/19 (c)                        | 1,206 | 2,619,281 |
| Series A, 0.00%, 8/31/19                  | 373   | 810,110   |
| KCG Holdings, Inc., 8.25%, 6/15/18 (c)    | 1,258 | 1,352,350 |
|                                           |       | 8,871,341 |

|                                                                      | <b>Par<br/>(000)</b> | <b>Value</b> |
|----------------------------------------------------------------------|----------------------|--------------|
| <b>Corporate Bonds</b>                                               |                      |              |
| <b>Chemicals 2.3%</b>                                                |                      |              |
| Axiall Corp., 4.88%, 5/15/23 (c)                                     | USD 629              | \$ 621,138   |
| Basell Finance Co. BV, 8.10%, 3/15/27 (c)                            | 2,115                | 2,727,639    |
| Celanese US Holdings LLC:                                            |                      |              |
| 5.88%, 6/15/21                                                       | 1,848                | 1,991,220    |
| 4.63%, 11/15/22                                                      | 1,565                | 1,557,175    |
| Huntsman International LLC:                                          |                      |              |
| 8.63%, 3/15/21                                                       | 945                  | 1,067,850    |
| 5.13%, 4/15/21                                                       | EUR 722              | 1,021,491    |
| INEOS Finance PLC (c):                                               |                      |              |
| 8.38%, 2/15/19                                                       | USD 100              | 110,750      |
| 7.50%, 5/01/20                                                       | 2,205                | 2,425,500    |
| INEOS Group Holdings SA:                                             |                      |              |
| 6.13%, 8/15/18 (c)                                                   | 2,125                | 2,199,375    |
| 6.50%, 8/15/18                                                       | EUR 1,485            | 2,165,044    |
| 5.75%, 2/15/19                                                       | 1,785                | 2,543,911    |
| 5.88%, 2/15/19 (c)                                                   | USD 1,312            | 1,351,360    |
| Kraton Polymers LLC/Kraton Polymers<br>Capital Corp., 6.75%, 3/01/19 | 695                  | 739,306      |
| LSB Industries, Inc., 7.75%, 8/01/19 (c)                             | 1,313                | 1,408,193    |
| Nexeo Solutions LLC/Nexeo Solutions<br>Finance Corp., 8.38%, 3/01/18 | 510                  | 516,375      |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (c)                           | 1,250                | 1,296,875    |
| Orion Engineered Carbons Bondco GmbH:                                |                      |              |
| 9.63%, 6/15/18 (c)                                                   | 200                  | 218,000      |
| 10.00%, 6/15/18                                                      | EUR 1,841            | 2,784,670    |
| PolyOne Corp.:                                                       |                      |              |
| 7.38%, 9/15/20                                                       | USD 1,205            | 1,322,488    |
| 5.25%, 3/15/23                                                       | 1,506                | 1,517,295    |

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|                                                                                             |     |       |            |
|---------------------------------------------------------------------------------------------|-----|-------|------------|
| Rockwood Specialties Group, Inc., 4.63%,<br>10/15/20                                        |     | 4,247 | 4,406,262  |
| Solvay Finance SA, 4.20% (d)(g)                                                             |     | 1,590 | 2,246,801  |
| US Coatings Acquisition, Inc./Axalta<br>Coating Systems Dutch Holding BV:<br>5.75%, 2/01/21 | EUR | 500   | 729,834    |
| 7.38%, 5/01/21 (c)                                                                          | USD | 1,760 | 1,900,800  |
|                                                                                             |     |       | 38,869,352 |
| <b>Commercial Banks 1.1%</b>                                                                |     |       |            |
| Banco Bilbao Vizcaya Argentaria SA,<br>7.00% (d)(g)                                         | EUR | 1,000 | 1,407,216  |
| CIT Group, Inc.:<br>5.25%, 3/15/18                                                          | USD | 4,320 | 4,687,200  |
| 6.63%, 4/01/18 (c)                                                                          |     | 1,400 | 1,578,500  |
| 5.50%, 2/15/19 (c)                                                                          |     | 6,919 | 7,524,412  |
| 6.00%, 4/01/36                                                                              |     | 2,800 | 2,770,645  |
|                                                                                             |     |       | 17,967,973 |
| <b>Commercial Services &amp; Supplies 3.5%</b>                                              |     |       |            |
| AA Bond Co., Ltd., 9.50%, 7/31/43                                                           | GBP | 996   | 1,871,164  |
| ACCO Brands Corp., 6.75%, 4/30/20                                                           | USD | 424   | 436,720    |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20                                                   |     | 1,546 | 1,677,410  |
| ARAMARK Corp., 5.75%, 3/15/20 (c)                                                           |     | 3,608 | 3,806,440  |
| Aviation Capital Group Corp., 6.75%,<br>4/06/21 (c)                                         |     | 3,002 | 3,288,121  |
| Avis Budget Car Rental LLC/Avis Budget<br>Finance, Inc., 2.99%, 12/01/17 (c)(d)             |     | 596   | 601,960    |
| AWAS Aviation Capital Ltd., 7.00%,<br>10/17/16 (c)                                          |     | 696   | 722,449    |
| Bilbao Luxembourg SA, 10.50% (10.50%<br>Cash or 11.25% PIK), 12/01/18 (b)                   | EUR | 400   | 574,536    |
| Brand Energy & Infrastructure Services,<br>Inc., 8.50%, 12/01/21 (c)                        | USD | 3,057 | 3,186,922  |
| Catalent Pharma Solutions, Inc., 7.88%,<br>10/15/18                                         |     | 2,806 | 2,855,105  |
| Covanta Holding Corp.:<br>3.25%, 6/01/14                                                    |     | 152   | 176,035    |
| 6.38%, 10/01/22                                                                             |     | 2,970 | 3,140,775  |
| 5.88%, 3/01/24 (h)                                                                          |     | 1,180 | 1,203,528  |
| EC Finance PLC, 9.75%, 8/01/17                                                              | EUR | 943   | 1,397,670  |
| Interactive Data Corp., 10.25%, 8/01/18                                                     | USD | 6,435 | 6,981,975  |
| Jurassic Holdings III, Inc., 6.88%, 2/15/21<br>(c)                                          |     | 1,044 | 1,075,320  |
| Mobile Mini, Inc., 7.88%, 12/01/20                                                          |     | 2,040 | 2,279,700  |
| Mustang Merger Corp., 8.50%, 8/15/21 (c)                                                    |     | 2,688 | 2,966,880  |
| See Notes to Financial Statements.                                                          |     |       |            |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                |     | Par<br>(000) | Value      |
|--------------------------------------------------------------------------------|-----|--------------|------------|
| <b>Corporate Bonds</b>                                                         |     |              |            |
| <b>Commercial Services &amp; Supplies (concluded)</b>                          |     |              |            |
| TransUnion LLC/TransUnion Financing Corp., 11.38%, 6/15/18                     | USD | 356          | \$ 384,480 |
| United Rentals North America, Inc.:<br>5.75%, 7/15/18                          |     | 1,427        | 1,530,457  |
| 7.38%, 5/15/20                                                                 |     | 1,890        | 2,112,075  |
| 8.25%, 2/01/21                                                                 |     | 2,168        | 2,447,130  |
| 7.63%, 4/15/22                                                                 |     | 9,095        | 10,334,194 |
| 6.13%, 6/15/23                                                                 |     | 1,055        | 1,118,300  |
| Verisure Holding AB:<br>8.75%, 9/01/18                                         | EUR | 790          | 1,188,577  |
| 8.75%, 12/01/18                                                                |     | 673          | 1,007,902  |
| West Corp., 8.63%, 10/01/18                                                    | USD | 765          | 824,288    |
|                                                                                |     |              | 59,190,113 |
| <b>Communications Equipment 1.9%</b>                                           |     |              |            |
| Alcatel-Lucent USA, Inc.:<br>4.63%, 7/01/17 (c)                                |     | 1,735        | 1,789,219  |
| 6.75%, 11/15/20 (c)                                                            |     | 2,520        | 2,683,800  |
| 6.50%, 1/15/28                                                                 |     | 1,100        | 1,061,500  |
| 6.45%, 3/15/29                                                                 |     | 2,978        | 2,896,105  |
| Avaya, Inc., 7.00%, 4/01/19 (c)                                                |     | 1,505        | 1,493,713  |
| CommScope Holding Co., Inc., 6.63%<br>(6.63% Cash or 7.38% PIK) 6/01/20 (b)(c) |     | 2,445        | 2,585,587  |
| Nokia OYJ, 5.00%, 10/26/17                                                     | EUR | 800          | 2,503,313  |
| Zayo Group LLC/Zayo Capital, Inc.:<br>8.13%, 1/01/20                           | USD | 5,055        | 5,573,137  |
| 10.13%, 7/01/20                                                                |     | 9,470        | 10,986,051 |
|                                                                                |     |              | 31,572,425 |
| <b>Construction &amp; Engineering 0.6%</b>                                     |     |              |            |
| Astaldi SpA, 7.13%, 12/01/20                                                   | EUR | 1,815        | 2,668,286  |
| BlueLine Rental Finance Corp., 7.00%,<br>2/01/19 (c)                           | USD | 1,032        | 1,090,050  |
| H&E Equipment Services, Inc., 7.00%,<br>9/01/22                                |     | 2,462        | 2,708,200  |
| Safway Group Holding LLC/Safway<br>Finance Corp., 7.00%, 5/15/18 (c)           |     | 2,852        | 3,030,250  |
| Weekley Homes LLC/Weekley Finance<br>Corp., 6.00%, 2/01/23                     |     | 862          | 846,915    |
|                                                                                |     |              | 10,343,701 |
| <b>Construction Materials 2.4%</b>                                             |     |              |            |
| Buzzi Unicem SpA, 6.25%, 9/28/18                                               | EUR | 508          | 800,236    |
| HD Supply, Inc.:<br>8.13%, 4/15/19                                             | USD | 13,109       | 14,747,625 |
| 11.00%, 4/15/20                                                                |     | 9,123        | 11,152,867 |
| 7.50%, 7/15/20                                                                 |     | 12,975       | 14,207,625 |
| Kerneos Tech Group SAS (h):                                                    |     |              |            |

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|                    |     |     |            |
|--------------------|-----|-----|------------|
| 5.04%, 3/01/21 (d) | EUR | 194 | 271,126    |
| 5.75%, 3/01/21     |     | 262 | 372,054    |
|                    |     |     | 41,551,533 |

**Consumer Finance 0.3%**

Ford Motor Credit Co. LLC:

|                            |     |       |           |
|----------------------------|-----|-------|-----------|
| 12.00%, 5/15/15            | USD | 1,120 | 1,267,254 |
| 6.63%, 8/15/17             |     | 361   | 418,841   |
| 8.13%, 1/15/20             |     | 500   | 633,326   |
| 5.88%, 8/02/21             |     | 200   | 230,895   |
| IVS F. SpA, 7.13%, 4/01/20 | EUR | 1,060 | 1,558,221 |
| Springleaf Finance Corp.:  |     |       |           |
| 6.90%, 12/15/17            | USD | 315   | 345,319   |
| 7.75%, 10/01/21            |     | 297   | 328,928   |
| 8.25%, 10/01/23            |     | 539   | 602,332   |
|                            |     |       | 5,385,116 |

**Containers & Packaging 1.3%**

Ardagh Packaging Finance PLC/Ardagh

Holdings USA, Inc.:

|                                      |     |       |           |
|--------------------------------------|-----|-------|-----------|
| 7.38%, 10/15/17                      | EUR | 600   | 883,047   |
| 6.25%, 1/31/19 (c)                   | USD | 1,504 | 1,560,400 |
| Ball Corp., 4.00%, 11/15/23          |     | 1,129 | 1,082,429 |
| Berry Plastics Corp., 9.75%, 1/15/21 |     | 1,020 | 1,183,200 |

**Corporate Bonds**

**Containers & Packaging (concluded)**

Beverage Packaging Holdings

Luxembourg II SA (c):

|                                                                        |     | Par<br>(000) | Value        |
|------------------------------------------------------------------------|-----|--------------|--------------|
| 5.63%, 12/15/16                                                        | USD | 3,913        | \$ 4,035,281 |
| 6.00%, 6/15/17                                                         |     | 2,137        | 2,222,480    |
| Crown Americas LLC/Crown Americas<br>Capital Corp. III, 6.25%, 2/01/21 |     | 93           | 101,835      |
| GCL Holdings SCA, 9.38%, 4/15/18 (c)                                   | EUR | 1,439        | 2,135,539    |
| Graphic Packaging International, Inc.,<br>7.88%, 10/01/18              | USD | 2,080        | 2,228,200    |
| OI European Group BV, 4.88%, 3/31/21                                   | EUR | 1,057        | 1,553,811    |
| Pactiv LLC, 7.95%, 12/15/25                                            | USD | 3,046        | 3,106,920    |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (c)                                   |     | 2,215        | 2,536,175    |
|                                                                        |     |              | 22,629,317   |

**Distributors 0.4%**

VWR Funding, Inc., 7.25%, 9/15/17

6,554 7,029,165

**Diversified Consumer Services 0.7%**

APX Group, Inc.:

|                                                    |  |       |            |
|----------------------------------------------------|--|-------|------------|
| 6.38%, 12/01/19                                    |  | 3,635 | 3,748,594  |
| 8.75%, 12/01/20                                    |  | 1,859 | 1,938,007  |
| Garda World Security Corp., 7.25%,<br>11/15/21 (c) |  | 702   | 744,120    |
| Laureate Education, Inc., 9.25%, 9/01/19<br>(c)    |  | 5,935 | 6,350,450  |
|                                                    |  |       | 12,781,171 |

**Diversified Financial Services 5.0%**

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|                                                                                      |     |        |            |
|--------------------------------------------------------------------------------------|-----|--------|------------|
| Aircastle Ltd.:                                                                      |     |        |            |
| 6.75%, 4/15/17                                                                       |     | 2,060  | 2,302,050  |
| 6.25%, 12/01/19                                                                      |     | 1,795  | 1,956,550  |
| Ally Financial, Inc.:                                                                |     |        |            |
| 7.50%, 9/15/20                                                                       |     | 1,141  | 1,380,610  |
| 8.00%, 11/01/31 (i)                                                                  |     | 17,020 | 21,445,200 |
| 8.00%, 11/01/31                                                                      |     | 1,272  | 1,583,640  |
| CE Energy AS, 7.00%, 2/01/21                                                         | EUR | 745    | 1,061,734  |
| Co-Operative Group Holdings, 6.88%,<br>7/08/20                                       | GBP | 710    | 1,248,390  |
| DPL, Inc., 6.50%, 10/15/16                                                           | USD | 1,740  | 1,874,850  |
| Gala Group Finance PLC, 8.88%, 9/01/18                                               | GBP | 2,708  | 4,857,644  |
| Jarden Corp., 1.88%, 9/15/18                                                         | USD | 100    | 142,563    |
| Jefferies Finance LLC/JFIN Co-Issuer<br>Corp., 7.38%, 4/01/20 (c)                    |     | 2,920  | 3,087,900  |
| Jefferies LoanCore LLC/JLC Finance<br>Corp., 6.88%, 6/01/20 (c)                      |     | 3,103  | 3,165,060  |
| JPMorgan Chase & Co., 6.75% (d)(g)                                                   |     | 5,674  | 5,957,700  |
| Lehman Brother Holding Escrow, 1.00%,<br>9/22/18                                     |     | 430    | 103,200    |
| Lehman Brothers Holdings, Inc.:                                                      |     |        |            |
| 5.38%, 10/17/14                                                                      | EUR | 350    | 106,283    |
| 4.75%, 1/16/15                                                                       |     | 1,890  | 573,929    |
| 1.00%, 2/05/15                                                                       |     | 3,950  | 1,213,111  |
| 1.00%, 12/31/49                                                                      | USD | 1,535  | 368,400    |
| Leucadia National Corp., 8.13%, 9/15/15                                              |     | 4,503  | 4,953,300  |
| Reynolds Group Issuer, Inc.:                                                         |     |        |            |
| 7.13%, 4/15/19                                                                       |     | 2,140  | 2,276,425  |
| 9.00%, 4/15/19                                                                       |     | 3,290  | 3,536,750  |
| 7.88%, 8/15/19                                                                       |     | 728    | 804,440    |
| 9.88%, 8/15/19                                                                       |     | 3,277  | 3,694,817  |
| 5.75%, 10/15/20                                                                      |     | 9,982  | 10,431,190 |
| 6.88%, 2/15/21                                                                       |     | 115    | 125,063    |
| 8.25%, 2/15/21                                                                       |     | 1,974  | 2,156,595  |
| WMG Acquisition Corp., 11.50%, 10/01/18                                              |     | 4,234  | 4,816,175  |
|                                                                                      |     |        | 85,223,569 |
| <b>Diversified Telecommunication Services 3.8%</b>                                   |     |        |            |
| Broadview Networks Holdings, Inc.,<br>10.50%, 11/15/17                               |     | 2,960  | 3,004,400  |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                                          |     | 6,545  | 6,839,525  |
| Cequel Communications Holdings I<br>LLC/Cequel Capital Corp., 5.13%,<br>12/15/21 (c) |     | 2,350  | 2,344,125  |
| Consolidated Communications Finance<br>Co., 10.88%, 6/01/20                          |     | 1,915  | 2,221,400  |
| Frontier Communications Corp., 8.50%,<br>4/15/20                                     |     | 2,900  | 3,349,500  |
| Level 3 Communications, Inc., 8.88%,<br>6/01/19                                      |     | 1,780  | 1,962,450  |
| See Notes to Financial Statements.                                                   |     |        |            |





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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                     |     | Par<br>(000) | Value        |
|---------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                              |     |              |              |
| <b>Diversified Telecommunication Services (concluded)</b>           |     |              |              |
| Level 3 Financing, Inc.:                                            |     |              |              |
| 8.13%, 7/01/19                                                      | USD | 7,665        | \$ 8,431,500 |
| 7.00%, 6/01/20                                                      |     | 2,395        | 2,610,550    |
| 8.63%, 7/15/20                                                      |     | 8,235        | 9,254,081    |
| 6.13%, 1/15/21 (c)                                                  |     | 4,158        | 4,397,085    |
| Telecom Italia SpA:                                                 |     |              |              |
| 6.13%, 11/15/16 (e)                                                 | EUR | 1,300        | 2,040,581    |
| 6.38%, 6/24/19                                                      | GBP | 900          | 1,620,731    |
| 4.88%, 9/25/20                                                      | EUR | 870          | 1,265,717    |
| 4.50%, 1/25/21                                                      |     | 1,350        | 1,923,385    |
| 5.88%, 5/19/23                                                      | GBP | 1,900        | 3,224,103    |
| Telenet Finance V Luxembourg SCA:                                   |     |              |              |
| 6.25%, 8/15/22                                                      | EUR | 1,362        | 2,058,566    |
| 6.75%, 8/15/24                                                      |     | 1,982        | 3,009,112    |
| tw telecom holdings, Inc., 5.38%, 10/01/22                          | USD | 3,085        | 3,146,700    |
| Windstream Corp., 7.75%, 10/15/20                                   |     | 1,963        | 2,110,225    |
|                                                                     |     |              | 64,813,736   |
| <b>Electric Utilities 0.3%</b>                                      |     |              |              |
| Homer City Generation LP (b):                                       |     |              |              |
| 8.14% (8.14% Cash or 8.64% PIK)                                     |     |              |              |
| 10/01/19                                                            |     | 850          | 896,750      |
| 8.73% (8.73% Cash or 9.23% PIK)                                     |     |              |              |
| 10/01/26                                                            |     | 1,905        | 2,000,250    |
| Mirant Mid Atlantic Pass-Through Trust,<br>Series B, 9.13%, 6/30/17 |     | 1,320        | 1,388,959    |
|                                                                     |     |              | 4,285,959    |
| <b>Electrical Equipment 0.7%</b>                                    |     |              |              |
| Belden, Inc., 5.50%, 4/15/23                                        | EUR | 600          | 838,119      |
| General Cable Corp.:                                                |     |              |              |
| 6.50%, 10/01/22 (c)                                                 | USD | 2,810        | 2,838,100    |
| 5.00%, 11/15/29 (j)                                                 |     | 200          | 225,500      |
| International Wire Group Holdings, Inc.,<br>8.50%, 10/15/17 (c)     |     | 1,421        | 1,548,890    |
| Techem Energy Metering Service GmbH &<br>Co., 7.88%, 10/01/20       | EUR | 210          | 327,516      |
| Techem GmbH:                                                        |     |              |              |
| 6.13%, 10/01/19                                                     |     | 1,877        | 2,818,039    |
| 6.13%, 10/01/19 (c)                                                 |     | 210          | 315,284      |
| Trionista Holdco GmbH, 5.00%, 4/30/20                               |     | 1,511        | 2,174,273    |
| Trionista TopCo GmbH, 6.88%, 4/30/21                                |     | 418          | 626,008      |
|                                                                     |     |              | 11,711,729   |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b>      |     |              |              |
| CDW LLC/CDW Finance Corp., 8.50%,<br>4/01/19                        |     |              |              |
|                                                                     | USD | 125          | 137,500      |
| Jabil Circuit, Inc., 8.25%, 3/15/18                                 |     | 1,310        | 1,575,275    |

|                                                                |     |              |              |
|----------------------------------------------------------------|-----|--------------|--------------|
|                                                                |     |              | 1,712,775    |
| <b>Energy Equipment &amp; Services 3.0%</b>                    |     |              |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                          |     | 780          | 840,450      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (c)                       |     | 1,575        | 1,645,875    |
| CGG SA:                                                        |     |              |              |
| 7.75%, 5/15/17                                                 |     | 1,480        | 1,513,300    |
| 6.50%, 6/01/21                                                 |     | 6,600        | 6,781,500    |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 |     | 283          | 290,783      |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22                        |     | 870          | 896,100      |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20               |     | 1,750        | 1,820,000    |
| MEG Energy Corp. (c):                                          |     |              |              |
| 6.50%, 3/15/21                                                 |     | 5,278        | 5,568,290    |
| 7.00%, 3/31/24                                                 |     | 4,342        | 4,559,100    |
| Oil States International, Inc.:                                |     |              |              |
| 6.50%, 6/01/19                                                 |     | 3,703        | 3,915,922    |
| 5.13%, 1/15/23                                                 |     | 1,900        | 2,135,125    |
| Parker Drilling Co., 7.50%, 8/01/20 (c)                        |     | 1,995        | 2,134,650    |
| Peabody Energy Corp.:                                          |     |              |              |
| 6.00%, 11/15/18                                                |     | 3,526        | 3,816,895    |
| 6.25%, 11/15/21                                                |     | 3,284        | 3,390,730    |
| 7.88%, 11/01/26                                                |     | 2,090        | 2,147,475    |
| 4.75%, 12/15/41                                                |     | 1,590        | 1,264,050    |
|                                                                |     | <b>Par</b>   |              |
|                                                                |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>                                         |     |              |              |
| <b>Energy Equipment &amp; Services (concluded)</b>             |     |              |              |
| Precision Drilling Corp., 6.63%, 11/15/20                      | USD | 425          | \$ 456,875   |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (c)       |     | 1,361        | 1,401,830    |
| Seadrill Ltd., 5.63%, 9/15/17 (c)                              |     | 5,411        | 5,640,967    |
| Tervita Corp., 10.88%, 2/15/18 (c)                             |     | 907          | 975,025      |
|                                                                |     |              | 51,194,942   |
| <b>Food &amp; Staples Retailing 0.7%</b>                       |     |              |              |
| Bakkavor Finance 2 PLC:                                        |     |              |              |
| 8.25%, 2/15/18                                                 | GBP | 1,427        | 2,556,855    |
| 8.75%, 6/15/20                                                 |     | 900          | 1,655,545    |
| Brakes Capital, 7.13%, 12/15/18                                |     | 830          | 1,375,978    |
| R&R Ice Cream PLC, 9.25%, 5/15/18 (b)                          | EUR | 610          | 863,033      |
| Rite Aid Corp.:                                                |     |              |              |
| 9.25%, 3/15/20                                                 | USD | 2,080        | 2,392,000    |
| 6.75%, 6/15/21                                                 |     | 2,283        | 2,511,300    |
| TreeHouse Foods, Inc., 4.88%, 3/15/22 (h)                      |     | 730          | 742,775      |
|                                                                |     |              | 12,097,486   |
| <b>Food Products 0.9%</b>                                      |     |              |              |
| Findus Bondco SA:                                              |     |              |              |
| 9.13%, 7/01/18                                                 | EUR | 830          | 1,254,486    |
| 9.50%, 7/01/18                                                 | GBP | 465          | 851,666      |
| JBS Investments GmbH, 7.75%, 10/28/20 (c)                      | USD | 2,638        | 2,730,330    |

|                                                                 |     |       |            |
|-----------------------------------------------------------------|-----|-------|------------|
| Pinnacle Foods Finance LLC, 4.88%,<br>5/01/21                   |     | 2,163 | 2,106,221  |
| Smithfield Foods, Inc.:                                         |     |       |            |
| 5.25%, 8/01/18 (c)                                              |     | 2,936 | 3,079,130  |
| 5.88%, 8/01/21 (c)                                              |     | 891   | 917,730    |
| 6.63%, 8/15/22                                                  |     | 2,626 | 2,836,080  |
| Univeg Holding BV, 7.88%, 11/15/20                              | EUR | 595   | 821,082    |
|                                                                 |     |       | 14,596,725 |
| <b>Health Care Equipment &amp; Supplies 1.5%</b>                |     |       |            |
| Biomet, Inc.:                                                   |     |       |            |
| 6.50%, 8/01/20                                                  | USD | 9,627 | 10,385,126 |
| 6.50%, 10/01/20                                                 |     | 2,801 | 2,986,566  |
| DJO Finance LLC/DJO Finance Corp.,<br>8.75%, 3/15/18            |     | 2,106 | 2,306,070  |
| Fresenius Medical Care US Finance, Inc.,<br>5.75%, 2/15/21 (c)  |     | 1,580 | 1,690,600  |
| Fresenius US Finance II, Inc., 9.00%,<br>7/15/15 (c)            |     | 3,275 | 3,594,312  |
| IDH Finance PLC:                                                |     |       |            |
| 6.00%, 12/01/18                                                 | GBP | 614   | 1,059,020  |
| 6.00%, 12/01/18 (c)                                             |     | 200   | 344,958    |
| Kinetic Concepts, Inc./KCI USA, Inc.,<br>12.50%, 11/01/19       | USD | 1,279 | 1,470,850  |
| Teleflex, Inc., 6.88%, 6/01/19                                  |     | 1,635 | 1,737,188  |
|                                                                 |     |       | 25,574,690 |
| <b>Health Care Providers &amp; Services 5.2%</b>                |     |       |            |
| Alere, Inc.:                                                    |     |       |            |
| 7.25%, 7/01/18                                                  |     | 802   | 880,195    |
| 8.63%, 10/01/18                                                 |     | 2,834 | 3,046,550  |
| Aviv Healthcare Properties LP/Aviv<br>Healthcare Capital Corp.: |     |       |            |
| 7.75%, 2/15/19                                                  |     | 3,165 | 3,418,200  |
| 6.00%, 10/15/21                                                 |     | 2,703 | 2,817,877  |
| CHS/Community Health Systems, Inc.:                             |     |       |            |
| 5.13%, 8/15/18                                                  |     | 4,465 | 4,727,319  |
| 5.13%, 8/01/21 (c)                                              |     | 2,215 | 2,292,525  |
| 6.88%, 2/01/22 (c)                                              |     | 4,448 | 4,731,560  |
| ConvaTec Healthcare E SA, 7.38%,<br>12/15/17 (c)                | EUR | 1,907 | 2,783,586  |
| Crown Newco 3 PLC, 7.00%, 2/15/18                               | GBP | 294   | 519,395    |
| HCA, Inc.:                                                      |     |       |            |
| 6.50%, 2/15/20                                                  | USD | 7,305 | 8,245,519  |
| 7.88%, 2/15/20                                                  |     | 1,550 | 1,658,500  |
| 7.25%, 9/15/20                                                  |     | 6,650 | 7,231,875  |
| 5.88%, 3/15/22                                                  |     | 2,610 | 2,851,425  |
| 5.88%, 5/01/23                                                  |     | 4,096 | 4,331,520  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                             |     | Par<br>(000) | Value        |
|-----------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                                      |     |              |              |
| <b>Health Care Providers &amp; Services (concluded)</b>                     |     |              |              |
| Hologic, Inc., 6.25%, 8/01/20                                               | USD | 6,599        | \$ 7,011,437 |
| LifePoint Hospitals, Inc., 5.50%, 12/01/21<br>(c)                           |     | 1,667        | 1,744,099    |
| Omnicare, Inc., 3.75%, 4/01/42                                              |     | 1,722        | 2,573,314    |
| Priory Group No. 3 PLC, 7.00%, 2/15/18 (c)                                  | GBP | 2,017        | 3,563,336    |
| Symbion, Inc., 8.00%, 6/15/16                                               | USD | 1,915        | 2,015,538    |
| Tenet Healthcare Corp.:                                                     |     |              |              |
| 6.25%, 11/01/18                                                             |     | 5,618        | 6,221,935    |
| 8.00%, 8/01/20                                                              |     | 1,973        | 2,165,368    |
| 6.00%, 10/01/20 (c)                                                         |     | 2,100        | 2,257,500    |
| 4.50%, 4/01/21                                                              |     | 311          | 310,223      |
| 4.38%, 10/01/21                                                             |     | 4,005        | 3,954,937    |
| 8.13%, 4/01/22                                                              |     | 5,587        | 6,257,440    |
| Voyage Care Bondco PLC, 6.50%, 8/01/18                                      | GBP | 890          | 1,553,690    |
|                                                                             |     |              | 89,164,863   |
| <b>Health Care Technology 0.3%</b>                                          |     |              |              |
| IMS Health, Inc. (c):                                                       |     |              |              |
| 12.50%, 3/01/18                                                             | USD | 3,696        | 4,250,400    |
| 6.00%, 11/01/20                                                             |     | 795          | 850,650      |
|                                                                             |     |              | 5,101,050    |
| <b>Hotels, Restaurants &amp; Leisure 3.5%</b>                               |     |              |              |
| Caesars Entertainment Operating Co., Inc.,<br>10.00%, 12/15/15              |     | 389          | 322,870      |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (c)                                     |     | 295          | 315,650      |
| Cirsa Funding Luxembourg SA, 8.75%,<br>5/15/18                              | EUR | 3,382        | 4,866,573    |
| Diamond Resorts Corp., 12.00%, 8/15/18                                      | USD | 6,422        | 7,064,200    |
| Enterprise Funding Ltd., Series ETI, 3.50%,<br>9/10/20 (e)                  | GBP | 400          | 752,878      |
| Enterprise Inns PLC, 6.50%, 12/06/18                                        |     | 1,598        | 2,803,039    |
| Gamenet SpA, 7.25%, 8/01/18                                                 | EUR | 934          | 1,334,323    |
| Gategroup Finance Luxembourg SA,<br>6.75%, 3/01/19                          |     | 2,164        | 3,210,993    |
| GLP Capital LP/GLP Financing II, Inc.,<br>4.38%, 11/01/18 (c)               | USD | 894          | 927,525      |
| Greektown Holdings LLC/Greektown<br>Mothership Corp., 8.88%, 3/15/19 (c)(h) |     | 2,470        | 2,544,100    |
| Intralot Finance Luxembourg SA, 9.75%,<br>8/15/18                           | EUR | 2,140        | 3,353,202    |
| Isle of Capri Casinos, Inc.:                                                |     |              |              |
| 7.75%, 3/15/19                                                              | USD | 280          | 304,150      |
| 5.88%, 3/15/21                                                              |     | 1,209        | 1,248,293    |
| Little Traverse Bay Bands of Odawa<br>Indians, 9.00%, 8/31/20 (c)           |     | 1,444        | 1,446,562    |
| MCE Finance Ltd., 5.00%, 2/15/21 (c)                                        |     | 3,339        | 3,330,652    |

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|                                                                                |     |       |            |
|--------------------------------------------------------------------------------|-----|-------|------------|
| PNK Finance Corp., 6.38%, 8/01/21 (c)                                          |     | 1,482 | 1,548,690  |
| PortAventura Entertainment Barcelona BV,<br>7.25%, 12/01/20                    | EUR | 350   | 508,468    |
| Regal Entertainment Group, 5.75%,<br>2/01/25                                   | USD | 489   | 477,386    |
| Six Flags Entertainment Corp., 5.25%,<br>1/15/21 (c)                           |     | 3,247 | 3,287,587  |
| Snai SpA, 7.63%, 6/15/18                                                       | EUR | 1,025 | 1,482,011  |
| Station Casinos LLC, 7.50%, 3/01/21                                            | USD | 5,095 | 5,464,387  |
| Travelport LLC/Travelport Holdings, Inc.<br>(c):                               |     |       |            |
| 6.36%, 3/01/16 (d)                                                             |     | 467   | 473,091    |
| 13.88% (11.38% Cash or 2.50% PIK)<br>3/01/16 (b)                               |     | 3,785 | 4,021,562  |
| 11.88%, 9/01/16                                                                |     | 188   | 190,944    |
| Tropicana Entertainment LLC/Tropicana<br>Finance Corp., 9.63%, 12/15/14 (a)(k) |     | 1,850 |            |
| The Unique Pub Finance Co. PLC, Series<br>A3, 6.54%, 3/30/21                   | GBP | 2,338 | 4,115,241  |
| Vougeot Bidco PLC, 7.88%, 7/15/20                                              |     | 920   | 1,673,540  |
| Wynn Las Vegas LLC/Wynn Las Vegas<br>Capital Corp., 5.38%, 3/15/22             | USD | 689   | 723,450    |
| Wynn Macau Ltd., 5.25%, 10/15/21 (c)                                           |     | 2,425 | 2,491,688  |
|                                                                                |     |       | 60,283,055 |

| <b>Corporate Bonds</b>                                                                            |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---------------------------------------------------------------------------------------------------|-----|----------------------|--------------|
| <b>Household Durables 2.7%</b>                                                                    |     |                      |              |
| Algeco Scotsman Global Finance PLC,<br>9.00%, 10/15/18                                            | EUR | 611                  | \$ 921,375   |
| Ashton Woods USA LLC/Ashton Woods<br>Finance Co., 6.88%, 2/15/21 (c)                              | USD | 1,262                | 1,258,845    |
| Beazer Homes USA, Inc.:                                                                           |     |                      |              |
| 6.63%, 4/15/18                                                                                    |     | 215                  | 232,200      |
| 7.50%, 9/15/21                                                                                    |     | 2,710                | 2,865,825    |
| Brookfield Residential Properties, Inc.,<br>6.50%, 12/15/20 (c)                                   |     | 2,275                | 2,417,187    |
| Brookfield Residential Properties,<br>Inc./Brookfield Residential US Corp.,<br>6.13%, 7/01/22 (c) |     | 1,604                | 1,648,110    |
| Jarden Corp., Series 1, 7.50%, 1/15/20                                                            | EUR | 1,632                | 2,421,599    |
| K. Hovnanian Enterprises, Inc.: (c)                                                               |     |                      |              |
| 7.00%, 1/15/19                                                                                    | USD | 387                  | 398,610      |
| 7.25%, 10/15/20                                                                                   |     | 4,360                | 4,774,200    |
| KB Home, 7.00%, 12/15/21                                                                          |     | 1,506                | 1,615,185    |
| Libbey Glass, Inc., 6.88%, 5/15/20                                                                |     | 1,600                | 1,732,000    |
| PulteGroup, Inc., 6.38%, 5/15/33                                                                  |     | 1,050                | 1,019,813    |
| The Ryland Group, Inc., 6.63%, 5/01/20                                                            |     | 1,900                | 2,052,000    |
| Spie BondCo 3 SCA, 11.00%, 8/15/19                                                                | EUR | 878                  | 1,381,570    |
| Standard Pacific Corp.:                                                                           |     |                      |              |
| 10.75%, 9/15/16                                                                                   | USD | 6,920                | 8,407,800    |

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|                                                                           |     |        |            |
|---------------------------------------------------------------------------|-----|--------|------------|
| 8.38%, 1/15/21                                                            |     | 4,270  | 5,091,975  |
| Taylor Morrison Communities,<br>Inc./Monarch Communities, Inc. (c):       |     |        |            |
| 7.75%, 4/15/20                                                            |     | 1,650  | 1,819,125  |
| 5.25%, 4/15/21                                                            |     | 1,484  | 1,469,160  |
| William Lyon Homes, Inc., 8.50%, 11/15/20                                 |     | 4,579  | 5,036,900  |
|                                                                           |     |        | 46,563,479 |
| <b>Household Products 0.4%</b>                                            |     |        |            |
| Ontex IV SA, 9.00%, 4/15/19                                               | EUR | 1,163  | 1,733,712  |
| Spectrum Brands, Inc.:                                                    |     |        |            |
| 6.75%, 3/15/20                                                            | USD | 535    | 580,475    |
| 6.38%, 11/15/20                                                           |     | 2,125  | 2,316,250  |
| 6.63%, 11/15/22                                                           |     | 1,385  | 1,509,650  |
|                                                                           |     |        | 6,140,087  |
| <b>Independent Power Producers &amp; Energy Traders 3.1%</b>              |     |        |            |
| Calpine Corp. (c):                                                        |     |        |            |
| 7.50%, 2/15/21                                                            |     | 156    | 171,990    |
| 6.00%, 1/15/22                                                            |     | 676    | 716,560    |
| 5.88%, 1/15/24                                                            |     | 1,999  | 2,048,975  |
| Energy Future Intermediate Holding Co.<br>LLC/EFIH Finance, Inc.:         |     |        |            |
| 6.88%, 8/15/17 (c)                                                        |     | 2,280  | 2,339,850  |
| 10.00%, 12/01/20                                                          |     | 12,782 | 13,293,280 |
| 10.25%, 12/01/20 (c)                                                      |     | 13,426 | 13,963,040 |
| 12.25%, 3/01/22 (c)                                                       |     | 6,312  | 7,321,920  |
| NRG Energy, Inc., 7.63%, 1/15/18                                          |     | 7,493  | 8,467,090  |
| NRG REMA LLC:                                                             |     |        |            |
| Series B, 9.24%, 7/02/17                                                  |     | 158    | 156,501    |
| Series C, 9.68%, 7/02/26                                                  |     | 2,020  | 1,959,400  |
| QEP Resources, Inc., 5.38%, 10/01/22                                      |     | 1,843  | 1,852,215  |
|                                                                           |     |        | 52,290,821 |
| <b>Industrial Conglomerates 0.1%</b>                                      |     |        |            |
| Sequa Corp., 7.00%, 12/15/17 (c)                                          |     | 1,845  | 1,872,675  |
| <b>Insurance 1.1%</b>                                                     |     |        |            |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger<br>Sub LLC, 7.88%, 12/15/20 (c) |     | 6,232  | 6,621,500  |
| CNO Financial Group, Inc., 6.38%,<br>10/01/20 (c)                         |     | 1,244  | 1,324,860  |
| Galaxy Bidco Ltd., 6.38%, 11/15/20                                        | GBP | 600    | 1,034,873  |
| Hockey Merger Sub 2, Inc., 7.88%,<br>10/01/21 (c)                         | USD | 3,920  | 4,125,800  |
| MPL 2 Acquisition Canco, Inc., 9.88%,<br>8/15/18 (c)                      |     | 3,650  | 3,896,375  |
| TMF Group Holding BV, 9.88%, 12/01/19                                     | EUR | 1,140  | 1,746,632  |
|                                                                           |     |        | 18,750,040 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                        |     | Par<br>(000) | Value        |
|----------------------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                                                 |     |              |              |
| <b>Internet Software &amp; Services 0.3%</b>                                           |     |              |              |
| Bankrate, Inc., 6.13%, 8/15/18 (c)                                                     | USD | 1,613        | \$ 1,699,699 |
| Cerved Group SpA:                                                                      |     |              |              |
| 6.38%, 1/15/20                                                                         | EUR | 601          | 887,630      |
| 8.00%, 1/15/21                                                                         |     | 400          | 596,687      |
| Equinix, Inc., 4.88%, 4/01/20                                                          | USD | 64           | 65,040       |
| VeriSign, Inc., 4.63%, 5/01/23                                                         |     | 1,560        | 1,521,000    |
|                                                                                        |     |              | 4,770,056    |
| <b>IT Services 4.2%</b>                                                                |     |              |              |
| Ceridian Corp.:                                                                        |     |              |              |
| 11.25%, 11/15/15                                                                       |     | 695          | 699,344      |
| 8.88%, 7/15/19 (c)                                                                     |     | 10,485       | 11,979,112   |
| Ceridian HCM Holding, Inc., 11.00%,<br>3/15/21 (c)                                     |     | 13,854       | 15,845,512   |
| Epicor Software Corp., 8.63%, 5/01/19                                                  |     | 3,077        | 3,361,623    |
| First Data Corp. (c):                                                                  |     |              |              |
| 7.38%, 6/15/19                                                                         |     | 9,420        | 10,208,925   |
| 8.88%, 8/15/20                                                                         |     | 2,745        | 3,053,813    |
| 6.75%, 11/01/20                                                                        |     | 6,605        | 7,133,400    |
| 10.63%, 6/15/21                                                                        |     | 3,247        | 3,652,875    |
| 11.75%, 8/15/21                                                                        |     | 1,328        | 1,420,960    |
| SunGard Data Systems, Inc.:                                                            |     |              |              |
| 7.38%, 11/15/18                                                                        |     | 3,100        | 3,301,500    |
| 6.63%, 11/01/19                                                                        |     | 7,360        | 7,866,000    |
| WEX, Inc., 4.75%, 2/01/23 (c)                                                          |     | 2,728        | 2,564,320    |
|                                                                                        |     |              | 71,087,384   |
| <b>Machinery 0.2%</b>                                                                  |     |              |              |
| Cleaver-Brooks, Inc., 8.75%, 12/15/19 (c)                                              |     | 1,690        | 1,875,900    |
| DH Services Luxembourg Sarl, 7.75%,<br>12/15/20 (c)                                    |     | 514          | 553,835      |
| SPX Corp., 6.88%, 9/01/17                                                              |     | 980          | 1,114,750    |
| Trinseo Materials Operating SCA/Trinseo<br>Materials Finance, Inc., 8.75%, 2/01/19 (c) |     | 661          | 687,440      |
|                                                                                        |     |              | 4,231,925    |
| <b>Media 10.0%</b>                                                                     |     |              |              |
| Adria Bidco BV, 7.88%, 11/15/20                                                        | EUR | 600          | 861,307      |
| Altice Financing SA, 6.50%, 1/15/22 (c)                                                | USD | 2,410        | 2,512,425    |
| Altice Finco SA, 8.13%, 1/15/24 (c)                                                    |     | 4,675        | 5,002,250    |
| AMC Networks, Inc.:                                                                    |     |              |              |
| 7.75%, 7/15/21                                                                         |     | 1,250        | 1,418,750    |
| 4.75%, 12/15/22                                                                        |     | 1,613        | 1,621,065    |
| Cablevision Systems Corp., 5.88%,<br>9/15/22                                           |     | 3,070        | 3,185,125    |
| Catalina Marketing Corp., 11.63%,<br>10/01/17 (c)(j)                                   |     | 2,365        | 2,471,425    |



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|                                                                                         |     |              |              |
|-----------------------------------------------------------------------------------------|-----|--------------|--------------|
| CBS Outdoor Americas Capital LLC/CBS Outdoor Americas Capital Corp. (c):                |     |              |              |
| 5.25%, 2/15/22                                                                          |     | 650          | 666,250      |
| 5.63%, 2/15/24                                                                          |     | 638          | 658,735      |
| CCO Holdings LLC/CCO Holdings Capital Corp.:                                            |     |              |              |
| 5.25%, 9/30/22                                                                          |     | 3,171        | 3,163,072    |
| 5.13%, 2/15/23                                                                          |     | 4,230        | 4,124,250    |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)(c)(k)                          |     | 3,439        | 3,301,440    |
| Checkout Holding Corp., 0.00%, 11/15/15 (c)(f)                                          |     | 1,126        | 951,470      |
| Clear Channel Communications, Inc.:                                                     |     |              |              |
| 9.00%, 12/15/19                                                                         |     | 3,769        | 3,957,450    |
| 9.00%, 3/01/21                                                                          |     | 6,478        | 6,785,705    |
| Clear Channel Worldwide Holdings, Inc.:                                                 |     |              |              |
| 7.63%, 3/15/20                                                                          |     | 4,069        | 4,404,692    |
| 6.50%, 11/15/22                                                                         |     | 11,724       | 12,464,707   |
| Clearwire Communications LLC/Clearwire Finance, Inc., 8.25%, 12/01/40 (c)               |     | 4,706        | 5,447,195    |
| DISH DBS Corp.:                                                                         |     |              |              |
| 4.25%, 4/01/18                                                                          |     | 3,209        | 3,337,360    |
| 5.13%, 5/01/20                                                                          |     | 4,652        | 4,814,820    |
| 5.88%, 7/15/22                                                                          |     | 4,080        | 4,294,200    |
| DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (c)                                      |     | 901          | 966,323      |
|                                                                                         |     | <b>Par</b>   |              |
|                                                                                         |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>                                                                  |     |              |              |
| <b>Media (concluded)</b>                                                                |     |              |              |
| Gannett Co., Inc. (c):                                                                  |     |              |              |
| 5.13%, 10/15/19                                                                         | USD | 857          | \$ 899,850   |
| 5.13%, 7/15/20                                                                          |     | 506          | 521,180      |
| 6.38%, 10/15/23                                                                         |     | 1,314        | 1,386,270    |
| Gray Television, Inc., 7.50%, 10/01/20                                                  |     | 1,743        | 1,899,870    |
| Harron Communications LP/Harron Finance Corp., 9.13%, 4/01/20 (c)                       |     | 4,510        | 5,096,300    |
| Intelsat Jackson Holdings SA, 5.50%, 8/01/23 (c)                                        |     | 3,775        | 3,732,531    |
| Intelsat Luxembourg SA, 6.75%, 6/01/18 (c)                                              |     | 5,500        | 5,857,500    |
| Lamar Media Corp., 5.38%, 1/15/24 (c)                                                   |     | 1,061        | 1,095,483    |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (c)                                     |     | 987          | 1,083,233    |
| The McClatchy Co., 9.00%, 12/15/22                                                      |     | 1,934        | 2,212,013    |
| Midcontinent Communications & Midcontinent Finance Corp., 6.25%, 8/01/21 (c)            |     | 3,901        | 4,057,040    |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (c) |     | 2,039        | 2,125,658    |

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|                                                                           |     |       |             |
|---------------------------------------------------------------------------|-----|-------|-------------|
| The New York Times Co., 6.63%, 12/15/16                                   |     | 225   | 250,875     |
| Nexstar Broadcasting, Inc., 6.88%,<br>11/15/20                            |     | 1,023 | 1,102,283   |
| Odeon & UCI Finco PLC, 9.00%, 8/01/18<br>(c)                              | GBP | 832   | 1,435,023   |
| Play Finance 2 SA, 5.25%, 2/01/19                                         | EUR | 1,070 | 1,523,075   |
| ProQuest LLC/ProQuest Notes Co.,<br>9.00%, 10/15/18 (c)                   | USD | 1,009 | 1,044,315   |
| Radio One, Inc., 9.25%, 2/15/20 (c)                                       |     | 2,026 | 2,127,300   |
| RCN Telecom Services LLC/RCN Capital<br>Corp., 8.50%, 8/15/20 (c)         |     | 1,450 | 1,522,500   |
| Sirius XM Holdings, Inc. (c):<br>4.25%, 5/15/20                           |     | 2,309 | 2,257,048   |
| 5.75%, 8/01/21                                                            |     | 1,811 | 1,883,440   |
| 4.63%, 5/15/23                                                            |     | 901   | 846,940     |
| Sterling Entertainment Corp., 9.75%,<br>12/15/19 (c)                      |     | 4,810 | 4,906,200   |
| Unitymedia Hessen GmbH & Co.<br>KG/Unitymedia NRW GmbH:<br>7.50%, 3/15/19 | EUR | 4,494 | 6,745,838   |
| 5.50%, 1/15/23 (c)                                                        | USD | 2,550 | 2,639,250   |
| 5.63%, 4/15/23                                                            | EUR | 208   | 308,664     |
| Unitymedia KabelBW GmbH:<br>9.63%, 12/01/19                               |     | 100   | 151,460     |
| 9.50%, 3/15/21                                                            |     | 2,061 | 3,290,238   |
| Univision Communications, Inc. (c):<br>8.50%, 5/15/21                     | USD | 1,597 | 1,774,666   |
| 6.75%, 9/15/22                                                            |     | 567   | 629,370     |
| 5.13%, 5/15/23                                                            |     | 3,720 | 3,813,000   |
| UPC Holding BV, 9.88%, 4/15/18 (c)                                        |     | 200   | 212,000     |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (c)                                  | EUR | 4,437 | 6,553,100   |
| Virgin Media Secured Finance PLC,<br>6.00%, 4/15/21                       | GBP | 5,502 | 9,697,082   |
| VTR Finance BV, 6.88%, 1/15/24 (c)                                        | USD | 1,727 | 1,768,375   |
| WaveDivision Escrow LLC/WaveDivision<br>Escrow Corp., 8.13%, 9/01/20 (c)  |     | 2,248 | 2,410,980   |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (c)                                     | EUR | 2,509 | 3,684,124   |
| Ziggo Finance BV, 6.13%, 11/15/17                                         |     | 340   | 483,677     |
|                                                                           |     |       | 169,437,767 |
| <b>Metals &amp; Mining 3.8%</b>                                           |     |       |             |
| APERAM (c):<br>7.38%, 4/01/16                                             | USD | 150   | 155,250     |
| 7.75%, 4/01/18                                                            |     | 600   | 633,000     |
| ArcelorMittal:<br>9.50%, 2/15/15                                          |     | 1,191 | 1,277,348   |
| 4.25%, 8/05/15                                                            |     | 1,629 | 1,679,906   |
| 5.00%, 2/25/17                                                            |     | 2,040 | 2,180,250   |
| 6.13%, 6/01/18                                                            |     | 1,821 | 2,003,100   |
| Arch Coal, Inc., 7.00%, 6/15/19                                           |     | 111   | 92,130      |
| Eco-Bat Finance PLC, 7.75%, 2/15/17                                       | EUR | 2,090 | 2,989,403   |
|                                                                           | USD | 1,839 | 1,894,170   |

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|                                                                |       |            |
|----------------------------------------------------------------|-------|------------|
| First Quantum Minerals Ltd., 6.75%,<br>2/15/20 (c)             |       |            |
| FMG Resources August 2006 Property<br>Ltd., 6.00%, 4/01/17 (c) | 9,531 | 10,055,205 |
| Global Brass & Copper, Inc., 9.50%,<br>6/01/19                 | 1,660 | 1,917,300  |
| See Notes to Financial Statements.                             |       |            |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                         |     | Par<br>(000) | Value                   |
|-------------------------------------------------------------------------|-----|--------------|-------------------------|
| <b>Corporate Bonds</b>                                                  |     |              |                         |
| <b>Metals &amp; Mining (concluded)</b>                                  |     |              |                         |
| Kaiser Aluminum Corp., 8.25%, 6/01/20                                   | USD | 1,240        | \$ 1,404,300            |
| New Gold, Inc., 6.25%, 11/15/22 (c)                                     |     | 1,485        | 1,485,000               |
| Novelis, Inc., 8.75%, 12/15/20                                          |     | 12,130       | 13,646,250              |
| Peninsula Energy Ltd., 11.00%, 12/14/14                                 |     | 2,800        | 2,800,000               |
| Perstorp Holding AB, 8.75%, 5/15/17 (c)                                 |     | 990          | 1,063,013               |
| Steel Dynamics, Inc.:                                                   |     |              |                         |
| 6.38%, 8/15/22                                                          |     | 1,345        | 1,476,137               |
| 5.25%, 4/15/23                                                          |     | 1,168        | 1,200,120               |
| Taseko Mines Ltd., 7.75%, 4/15/19                                       |     | 2,320        | 2,360,600               |
| ThyssenKrupp AG, 3.13%, 10/25/19                                        | EUR | 2,040        | 2,829,892               |
| Vedanta Resources PLC, 8.25%, 6/07/21<br>(c)                            | USD | 1,565        | 1,647,162               |
| Wise Metals Group LLC/Wise Alloys<br>Finance Corp., 8.75%, 12/15/18 (c) |     | 8,654        | 9,346,320<br>64,135,856 |
| <b>Multiline Retail 0.7%</b>                                            |     |              |                         |
| CST Brands, Inc., 5.00%, 5/01/23                                        |     | 2,083        | 2,025,718               |
| Dufry Finance SCA, 5.50%, 10/15/20 (c)                                  |     | 1,927        | 1,975,175               |
| The Neiman Marcus Group Ltd., 8.00%,<br>10/15/21 (c)                    |     | 7,817        | 8,383,732<br>12,384,625 |
| <b>Oil, Gas &amp; Consumable Fuels 11.0%</b>                            |     |              |                         |
| Access Midstream Partners LP/ACMP<br>Finance Corp.:                     |     |              |                         |
| 5.88%, 4/15/21                                                          |     | 1,635        | 1,745,362               |
| 6.13%, 7/15/22                                                          |     | 1,520        | 1,649,200               |
| 4.88%, 5/15/23                                                          |     | 4,008        | 4,088,160               |
| Antero Resources Finance Corp., 5.38%,<br>11/01/21 (c)                  |     | 1,942        | 1,985,695               |
| Athlon Holdings LP/Athlon Finance Corp.,<br>7.38%, 4/15/21 (c)          |     | 1,053        | 1,116,180               |
| Aurora USA Oil & Gas, Inc. (c):                                         |     |              |                         |
| 9.88%, 2/15/17                                                          |     | 2,667        | 2,960,370               |
| 7.50%, 4/01/20                                                          |     | 4,188        | 4,648,680               |
| Bonanza Creek Energy, Inc., 6.75%,<br>4/15/21                           |     | 637          | 684,775                 |
| BreitBurn Energy Partners LP/BreitBurn<br>Finance Corp., 7.88%, 4/15/22 |     | 1,420        | 1,547,800               |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20                                 |     | 1,321        | 1,453,100               |
| Chaparral Energy, Inc., 7.63%, 11/15/22                                 |     | 1,220        | 1,323,700               |
| Chesapeake Energy Corp.:                                                |     |              |                         |
| 7.25%, 12/15/18                                                         |     | 592          | 697,080                 |
| 6.63%, 8/15/20                                                          |     | 1,337        | 1,527,522               |
| 6.88%, 11/15/20                                                         |     | 1,507        | 1,733,050               |
| 6.13%, 2/15/21                                                          |     | 524          | 579,020                 |

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|                                                                                             |       |           |
|---------------------------------------------------------------------------------------------|-------|-----------|
| 5.75%, 3/15/23                                                                              | 1,863 | 2,002,725 |
| Concho Resources, Inc.:                                                                     |       |           |
| 7.00%, 1/15/21                                                                              | 465   | 513,825   |
| 6.50%, 1/15/22                                                                              | 1,646 | 1,800,312 |
| 5.50%, 10/01/22                                                                             | 2,016 | 2,116,800 |
| 5.50%, 4/01/23                                                                              | 408   | 426,360   |
| CONSOL Energy, Inc.:                                                                        |       |           |
| 8.00%, 4/01/17                                                                              | 1,723 | 1,798,381 |
| 8.25%, 4/01/20                                                                              | 2,332 | 2,536,050 |
| Continental Resources, Inc., 7.13%,<br>4/01/21                                              | 2,060 | 2,330,375 |
| Crestwood Midstream Partners<br>LP/Crestwood Midstream Finance Corp.,<br>6.13%, 3/01/22 (c) | 1,207 | 1,261,315 |
| Crosstex Energy LP/Crosstex Energy<br>Finance Corp., 8.88%, 2/15/18                         | 840   | 882,000   |
| CrownRock LP/CrownRock Finance, Inc.,<br>7.13%, 4/15/21 (c)                                 | 2,564 | 2,666,560 |
| Denbury Resources, Inc., 4.63%, 7/15/23                                                     | 3,540 | 3,336,450 |
| Diamondback Energy, Inc., 7.63%,<br>10/01/21 (c)                                            | 1,861 | 1,972,660 |
| El Paso LLC:                                                                                |       |           |
| 7.80%, 8/01/31                                                                              | 447   | 473,947   |
| 7.75%, 1/15/32                                                                              | 3,565 | 3,802,080 |
| Energy XXI Gulf Coast, Inc.:                                                                |       |           |
| 9.25%, 12/15/17                                                                             | 2,600 | 2,840,500 |
| 7.75%, 6/15/19                                                                              | 2,306 | 2,478,950 |

|                                                                               | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------------------------------------------------|----------------------|--------------|
| <b>Corporate Bonds</b>                                                        |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                            |                      |              |
| EP Energy LLC/EP Energy Finance, Inc.,<br>9.38%, 5/01/20                      | USD 1,180            | \$ 1,365,850 |
| EP Energy LLC/Everest Acquisition<br>Finance, Inc., Series WI, 6.88%, 5/01/19 | 1,915                | 2,065,806    |
| EV Energy Partners LP/EV Energy<br>Finance Corp., 8.00%, 4/15/19              | 820                  | 844,600      |
| EXCO Resources, Inc., 7.50%, 9/15/18                                          | 1,475                | 1,489,750    |
| Halcon Resources Corp.:                                                       |                      |              |
| 9.75%, 7/15/20 (c)                                                            | 312                  | 327,990      |
| 8.88%, 5/15/21                                                                | 2,311                | 2,351,442    |
| Hilcorp Energy I LP/Hilcorp Finance Co.,<br>7.63%, 4/15/21 (c)                | 1,472                | 1,604,480    |
| Kinder Morgan, Inc. (c):                                                      |                      |              |
| 5.00%, 2/15/21                                                                | 1,564                | 1,573,525    |
| 5.63%, 11/15/23                                                               | 1,711                | 1,719,918    |
| Kodiak Oil & Gas Corp.:                                                       |                      |              |
| 8.13%, 12/01/19                                                               | 2,905                | 3,231,812    |
| 5.50%, 2/01/22                                                                | 892                  | 916,530      |
| Laredo Petroleum, Inc.:                                                       |                      |              |
| 9.50%, 2/15/19                                                                | 2,855                | 3,161,912    |

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|                                                                                            |       |           |
|--------------------------------------------------------------------------------------------|-------|-----------|
| 7.38%, 5/01/22                                                                             | 3,065 | 3,402,150 |
| Legacy Reserves LP/Legacy Reserves Finance Corp., 6.63%, 12/01/21 (c)                      | 843   | 834,570   |
| Lightstream Resources Ltd., 8.63%, 2/01/20 (c)                                             | 1,441 | 1,473,423 |
| Linn Energy LLC/Linn Energy Finance Corp.:                                                 |       |           |
| 6.50%, 5/15/19                                                                             | 243   | 253,328   |
| 7.25%, 11/01/19 (c)                                                                        | 1,334 | 1,390,695 |
| 8.63%, 4/15/20                                                                             | 4,354 | 4,745,860 |
| 7.75%, 2/01/21                                                                             | 365   | 395,113   |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:                                 |       |           |
| 6.25%, 6/15/22                                                                             | 674   | 727,920   |
| 4.50%, 7/15/23                                                                             | 1,720 | 1,666,250 |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21          | 1,091 | 1,151,005 |
| Newfield Exploration Co., 6.88%, 2/01/20                                                   | 4,325 | 4,643,969 |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20                                                 | 1,523 | 1,621,995 |
| Oasis Petroleum, Inc.:                                                                     |       |           |
| 7.25%, 2/01/19                                                                             | 1,125 | 1,209,375 |
| 6.50%, 11/01/21                                                                            | 1,625 | 1,755,000 |
| 6.88%, 3/15/22 (c)                                                                         | 1,481 | 1,606,885 |
| Ocean Rig UDW, Inc., 9.50%, 4/27/16 (c)                                                    | 500   | 526,875   |
| Offshore Group Investment Ltd., 7.50%, 11/01/19                                            | 5,346 | 5,760,315 |
| Pacific Drilling SA, 5.38%, 6/01/20 (c)                                                    | 2,069 | 2,094,862 |
| Parker Drilling Co., 6.75%, 7/15/22 (c)                                                    | 715   | 743,600   |
| Parsley Energy LLC/Parsley Finance Corp., 7.50%, 2/15/22 (c)                               | 779   | 817,950   |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20                                      | 532   | 583,870   |
| PDC Energy, Inc., 7.75%, 10/15/22                                                          | 995   | 1,087,038 |
| Penn Virginia Corp., 8.50%, 5/01/20                                                        | 1,101 | 1,211,100 |
| Penn Virginia Resource Partners LP/Penn Virginia Resource Finance Corp. II, 8.38%, 6/01/20 | 2,699 | 3,016,132 |
| Petrobras Global Finance BV, 3.00%, 1/15/19                                                | 1,927 | 1,838,335 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)                                            | 3,816 | 4,111,740 |
| Range Resources Corp.:                                                                     |       |           |
| 8.00%, 5/15/19                                                                             | 1,995 | 2,102,231 |
| 6.75%, 8/01/20                                                                             | 658   | 715,575   |
| 5.75%, 6/01/21                                                                             | 568   | 610,600   |
| 5.00%, 8/15/22                                                                             | 530   | 545,900   |
| 5.00%, 3/15/23                                                                             | 1,193 | 1,213,878 |
| Regency Energy Partners LP/Regency Energy Finance Corp.:                                   |       |           |
| 5.75%, 9/01/20                                                                             | 628   | 657,830   |
| 4.50%, 11/01/23                                                                            | 2,835 | 2,650,725 |

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|                                                                           |       |           |
|---------------------------------------------------------------------------|-------|-----------|
| RKI Exploration & Production LLC/RKI<br>Finance Corp., 8.50%, 8/01/21 (c) | 460   | 494,500   |
| Rosetta Resources, Inc., 5.63%, 5/01/21                                   | 2,901 | 2,988,030 |
| See Notes to Financial Statements.                                        |       |           |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                        |     | Par<br>(000) | Value        |
|----------------------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                                                 |     |              |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                     |     |              |              |
| Sabine Pass Liquefaction LLC (c):                                                      |     |              |              |
| 5.88%, 2/01/21                                                                         | USD | 5,458        | \$ 5,594,450 |
| 6.25%, 3/15/22                                                                         |     | 2,409        | 2,493,315    |
| 5.63%, 4/15/23                                                                         |     | 1,908        | 1,874,610    |
| Sabine Pass LNG LP, 7.50%, 11/30/16                                                    |     | 8,155        | 9,052,050    |
| SandRidge Energy, Inc.:                                                                |     |              |              |
| 8.75%, 1/15/20                                                                         |     | 171          | 185,108      |
| 7.50%, 2/15/23                                                                         |     | 1,653        | 1,743,915    |
| Seven Generations Energy Ltd., 8.25%,<br>5/15/20 (c)                                   |     | 5,098        | 5,569,565    |
| SM Energy Co.:                                                                         |     |              |              |
| 6.63%, 2/15/19                                                                         |     | 1,174        | 1,259,115    |
| 6.50%, 11/15/21                                                                        |     | 1,460        | 1,584,100    |
| 6.50%, 1/01/23                                                                         |     | 1,711        | 1,830,770    |
| Summit Midstream Holdings LLC/Summit<br>Midstream Finance Corp., 7.50%, 7/01/21<br>(c) |     | 1,566        | 1,659,960    |
| Tesoro Logistics LP/Tesoro Logistics<br>Finance Corp., 5.88%, 10/01/20                 |     | 860          | 898,700      |
| Ultra Petroleum Corp., 5.75%, 12/15/18 (c)                                             |     | 2,596        | 2,719,310    |
| Vanguard Natural Resources LLC/VNR<br>Finance Corp., 7.88%, 4/01/20                    |     | 1,500        | 1,616,250    |
| Whiting Petroleum Corp.:                                                               |     |              |              |
| 5.00%, 3/15/19                                                                         |     | 3,541        | 3,744,607    |
| 5.75%, 3/15/21                                                                         |     | 2,356        | 2,544,480    |
|                                                                                        |     |              | 186,651,528  |
| <b>Paper &amp; Forest Products 0.6%</b>                                                |     |              |              |
| Ainsworth Lumber Co., Ltd., 7.50%,<br>12/15/17 (c)                                     |     | 1,864        | 1,999,140    |
| Clearwater Paper Corp.:                                                                |     |              |              |
| 7.13%, 11/01/18                                                                        |     | 3,235        | 3,445,275    |
| 4.50%, 2/01/23                                                                         |     | 245          | 231,525      |
| Mercer International, Inc., 9.50%, 12/01/17                                            |     | 1,175        | 1,280,750    |
| NewPage Corp., 11.38%, 12/31/14 (a)(k)                                                 |     | 10,925       | 1            |
| Sappi Papier Holding GmbH (c):                                                         |     |              |              |
| 8.38%, 6/15/19                                                                         |     | 1,000        | 1,110,000    |
| 6.63%, 4/15/21                                                                         |     | 350          | 357,000      |
| Unifrax I LLC/Unifrax Holding Co., 7.50%,<br>2/15/19 (c)                               |     | 1,335        | 1,421,775    |
|                                                                                        |     |              | 9,845,466    |
| <b>Pharmaceuticals 2.5%</b>                                                            |     |              |              |
| Capsugel Finance Co. SCA:                                                              |     |              |              |
| 9.88%, 8/01/19                                                                         | EUR | 405          | 614,980      |
| 9.88%, 8/01/19 (c)                                                                     |     | 1,100        | 1,670,315    |
| Endo Finance LLC, 5.75%, 1/15/22 (c)                                                   | USD | 3,010        | 3,107,825    |



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|                                                                             |     |              |              |
|-----------------------------------------------------------------------------|-----|--------------|--------------|
| Forest Laboratories, Inc. (c):                                              |     |              |              |
| 4.38%, 2/01/19                                                              |     | 3,901        | 4,174,070    |
| 5.00%, 12/15/21                                                             |     | 2,636        | 2,820,520    |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (c)          |     | 3,596        | 4,027,520    |
| Pinnacle Merger Sub, Inc., 9.50%, 10/01/23 (c)                              |     | 755          | 815,400      |
| Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (c)                              |     | 1,162        | 1,243,340    |
| Valeant Pharmaceuticals International, Inc. (c):                            |     |              |              |
| 6.75%, 8/15/18                                                              |     | 10,923       | 12,042,607   |
| 6.88%, 12/01/18                                                             |     | 3,044        | 3,238,055    |
| 6.38%, 10/15/20                                                             |     | 1,508        | 1,647,490    |
| 7.50%, 7/15/21                                                              |     | 756          | 861,840      |
| 6.75%, 8/15/21                                                              |     | 2,241        | 2,442,690    |
| Warner Chilcott Co. LLC/Warner Chilcott Finance LLC, 7.75%, 9/15/18         |     | 3,132        | 3,351,240    |
|                                                                             |     |              | 42,057,892   |
| <b>Professional Services 0.2%</b>                                           |     |              |              |
| Truven Health Analytics, Inc., 10.63%, 6/01/20                              |     | 2,840        | 3,216,300    |
|                                                                             |     |              |              |
|                                                                             |     | <b>Par</b>   | <b>Value</b> |
|                                                                             |     | <b>(000)</b> |              |
| <b>Corporate Bonds</b>                                                      |     |              |              |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                           |     |              |              |
| Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (c) | USD | 1,565        | \$ 1,690,200 |
| Felcor Lodging LP:                                                          |     |              |              |
| 6.75%, 6/01/19                                                              |     | 5,386        | 5,789,950    |
| 5.63%, 3/01/23                                                              |     | 1,422        | 1,429,110    |
| Host Hotels & Resorts LP, 2.50%, 10/15/29 (c)                               |     | 815          | 1,240,328    |
| iStar Financial, Inc., 4.88%, 7/01/18                                       |     | 2,254        | 2,276,540    |
|                                                                             |     |              | 12,426,128   |
| <b>Real Estate Management &amp; Development 2.2%</b>                        |     |              |              |
| CBRE Services, Inc., 6.63%, 10/15/20                                        |     | 1,880        | 2,011,600    |
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (c)         |     | 4,515        | 5,045,512    |
| The Howard Hughes Corp., 6.88%, 10/01/21 (c)                                |     | 1,369        | 1,444,295    |
| IVG Finance BV, 1.75%, 3/29/17                                              | EUR | 800          | 883,724      |
| Realogy Corp. (c):                                                          |     |              |              |
| 7.88%, 2/15/19                                                              | USD | 10,639       | 11,543,315   |
| 7.63%, 1/15/20                                                              |     | 497          | 557,883      |
| 9.00%, 1/15/20                                                              |     | 1,269        | 1,459,350    |
| The Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (c)       |     | 1,870        | 1,888,700    |
| Rialto Holdings LLC/Rialto Corp., 7.00%, 12/01/18 (c)                       |     | 1,065        | 1,086,300    |

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|                                                                                              |     |       |            |
|----------------------------------------------------------------------------------------------|-----|-------|------------|
| RPG Byty Sro, 6.75%, 5/01/20                                                                 | EUR | 1,146 | 1,645,097  |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                                       | USD | 6,320 | 6,967,800  |
| Woodside Homes Co. LLC/Woodside Homes Finance, Inc., 6.75%, 12/15/21 (c)                     |     | 2,305 | 2,351,100  |
|                                                                                              |     |       | 36,884,676 |
| <b>Road &amp; Rail 0.6%</b>                                                                  |     |       |            |
| The Hertz Corp.:                                                                             |     |       |            |
| 7.50%, 10/15/18                                                                              |     | 3,220 | 3,441,375  |
| 6.75%, 4/15/19                                                                               |     | 1,615 | 1,730,069  |
| 5.88%, 10/15/20                                                                              |     | 370   | 392,200    |
| 7.38%, 1/15/21                                                                               |     | 2,360 | 2,596,000  |
| 6.25%, 10/15/22                                                                              |     | 1,475 | 1,559,812  |
| Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (c)                                       |     | 1,093 | 1,103,930  |
|                                                                                              |     |       | 10,823,386 |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>                                     |     |       |            |
| GCS Holdco Finance I SA, 6.50%, 11/15/18                                                     |     |       |            |
|                                                                                              | EUR | 455   | 668,859    |
| NXP BV/NXP Funding LLC (c):                                                                  |     |       |            |
| 3.75%, 6/01/18                                                                               | USD | 2,235 | 2,260,144  |
| 5.75%, 2/15/21                                                                               |     | 2,065 | 2,199,225  |
|                                                                                              |     |       | 5,128,228  |
| <b>Software 1.8%</b>                                                                         |     |       |            |
| Activision Blizzard, Inc. (c):                                                               |     |       |            |
| 5.63%, 9/15/21                                                                               |     | 2,785 | 2,993,875  |
| 6.13%, 9/15/23                                                                               |     | 971   | 1,053,535  |
| Audatex North America, Inc., 6.13%, 11/01/23 (c)                                             |     |       |            |
|                                                                                              |     | 1,350 | 1,444,500  |
| BMC Software Finance, Inc., 8.13%, 7/15/21 (c)                                               |     |       |            |
|                                                                                              |     | 2,440 | 2,565,050  |
| Healthcare Technology Intermediate, Inc., 7.38% (7.38% Cash or 8.13% PIK) 9/01/18 (b)(c)     |     |       |            |
|                                                                                              |     | 1,855 | 1,919,925  |
| Igloo Holdings Corp., 8.25% (8.25% Cash or 9.00% PIK) 12/15/17 (b)(c)                        |     |       |            |
|                                                                                              |     | 1,636 | 1,676,900  |
| Infor US, Inc., 9.38%, 4/01/19                                                               |     |       |            |
|                                                                                              |     | 9,815 | 11,090,950 |
| Interface Security Systems Holdings, Inc./Interface Security Systems LLC, 9.25%, 1/15/18 (c) |     |       |            |
|                                                                                              |     | 827   | 827,000    |
| Nuance Communications, Inc.:                                                                 |     |       |            |
| 5.38%, 8/15/20 (c)                                                                           |     | 5,035 | 5,047,588  |
| 2.75%, 11/01/31                                                                              |     | 145   | 143,731    |
| Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (c)                                           |     |       |            |
|                                                                                              |     | 2,437 | 2,705,070  |
|                                                                                              |     |       | 31,468,124 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                                                |     | Par<br>(000) | Value        |
|----------------------------------------------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                                                                         |     |              |              |
| <b>Specialty Retail 2.3%</b>                                                                                   |     |              |              |
| Asbury Automotive Group, Inc., 8.38%,<br>11/15/20                                                              | USD | 2,030        | \$ 2,288,825 |
| Claire's Stores, Inc. (c):<br>9.00%, 3/15/19                                                                   |     | 4,471        | 4,705,727    |
| 7.75%, 6/01/20                                                                                                 |     | 1,689        | 1,414,538    |
| House of Fraser Funding PLC:<br>8.88%, 8/15/18                                                                 | GBP | 1,285        | 2,340,080    |
| 8.88%, 8/15/18 (c)                                                                                             |     | 1,532        | 2,789,886    |
| L Brands, Inc., 8.50%, 6/15/19                                                                                 | USD | 3,925        | 4,759,062    |
| Magnolia BC SA, 9.00%, 8/01/20                                                                                 | EUR | 1,293        | 1,891,812    |
| Michaels Stores, Inc., 7.75%, 11/01/18                                                                         | USD | 1,299        | 1,393,178    |
| New Academy Finance Co. LLC/New<br>Academy Finance Corp., 8.00% (8.00%<br>Cash<br>or 8.75% PIK) 6/15/18 (b)(c) |     | 1,197        | 1,223,933    |
| New Look Bondco I PLC, 8.75%, 5/14/18                                                                          | GBP | 438          | 793,963      |
| Party City Holdings, Inc., 8.88%, 8/01/20                                                                      | USD | 3,489        | 3,890,235    |
| PC Nextco Holdings LLC/PC Nextco<br>Finance, Inc., 8.75% (8.75% Cash or<br>9.50% PIK)<br>8/15/19 (b)(c)        |     | 1,575        | 1,626,188    |
| Penske Automotive Group, Inc., 5.75%,<br>10/01/22                                                              |     | 1,775        | 1,854,875    |
| QVC, Inc. (c):<br>7.50%, 10/01/19                                                                              |     | 3,180        | 3,402,015    |
| 7.38%, 10/15/20                                                                                                |     | 1,640        | 1,776,986    |
| Sally Holdings LLC/Sally Capital, Inc.,<br>5.75%, 6/01/22                                                      |     | 2,359        | 2,494,642    |
|                                                                                                                |     |              | 38,645,945   |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>                                                               |     |              |              |
| Levi Strauss & Co., 6.88%, 5/01/22                                                                             |     | 2,430        | 2,660,850    |
| PVH Corp., 4.50%, 12/15/22                                                                                     |     | 1,401        | 1,379,985    |
| Quiksilver, Inc./QS Wholesale, Inc.,<br>7.88%, 8/01/18 (c)                                                     |     | 610          | 664,900      |
| SIWF Merger Sub, Inc., 6.25%, 6/01/21<br>(c)                                                                   |     | 2,777        | 2,846,425    |
| The William Carter Co., 5.25%, 8/15/21<br>(c)                                                                  |     | 1,398        | 1,432,950    |
|                                                                                                                |     |              | 8,985,110    |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>                                                                     |     |              |              |
| MGIC Investment Corp., 2.00%, 4/01/20                                                                          |     | 273          | 401,310      |
| Radian Group, Inc.:<br>3.00%, 11/15/17                                                                         |     | 330          | 499,125      |
| 2.25%, 3/01/19                                                                                                 |     | 712          | 1,116,505    |
|                                                                                                                |     |              | 2,016,940    |

**Trading Companies & Distributors 0.7%**

|                                                                                                           |       |            |
|-----------------------------------------------------------------------------------------------------------|-------|------------|
| Air Lease Corp., 4.50%, 1/15/16                                                                           | 3,290 | 3,470,950  |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (c)                                                                 | 4,976 | 5,398,960  |
| Doric Nimrod Air Finance Alpha Ltd.<br>Pass-Through Trust, Series 2012-1,<br>Class A, 5.13%, 11/30/24 (c) | 3,144 | 3,262,210  |
|                                                                                                           |       | 12,132,120 |

**Transportation Infrastructure 0.3%**

|                                |       |           |
|--------------------------------|-------|-----------|
| Aguila 3 SA:<br>7.88%, 1/31/18 | 150   | 159,375   |
| 7.88%, 1/31/18 (c)             | 3,894 | 4,137,375 |
|                                |       | 4,296,750 |

**Wireless Telecommunication Services 5.1%**

|                                                     |           |            |
|-----------------------------------------------------|-----------|------------|
| Crown Castle International Corp., 5.25%,<br>1/15/23 | 4,871     | 4,992,775  |
| Digicel Group Ltd., 8.25%, 9/30/20 (c)              | 4,870     | 5,150,025  |
| Digicel Ltd., 6.00%, 4/15/21 (c)                    | 7,619     | 7,657,095  |
| DuPont Fabros Technology LP, 5.88%,<br>9/15/21      | 2,755     | 2,906,525  |
| The Geo Group, Inc., 5.88%, 1/15/22                 | 2,220     | 2,264,400  |
| Phones4u Finance PLC:<br>9.50%, 4/01/18             | GBP 1,180 | 2,075,045  |
| 9.50%, 4/01/18 (c)                                  | 2,015     | 3,543,404  |
| Sprint Capital Corp., 8.75%, 3/15/32                | USD 1,330 | 1,492,925  |
| Sprint Communications, Inc. (c):<br>9.00%, 11/15/18 | 14,889    | 18,239,025 |
| 7.00%, 3/01/20                                      | 8,124     | 9,383,220  |

**Corporate Bonds****Wireless Telecommunication Services (concluded)**

|                                       | Par<br>(000) | Value                |
|---------------------------------------|--------------|----------------------|
| Sprint Corp. (c):<br>7.88%, 9/15/23   | USD 9,139    | \$ 10,121,443        |
| 7.13%, 6/15/24                        | 2,560        | 2,688,000            |
| T-Mobile USA, Inc.:<br>6.63%, 4/28/21 | 5,880        | 6,365,100            |
| 6.13%, 1/15/22                        | 1,060        | 1,119,625            |
| 6.73%, 4/28/22                        | 6,145        | 6,636,600            |
| 6.50%, 1/15/24                        | 1,945        | 2,061,700            |
|                                       |              | 86,696,907           |
| <b>Total Corporate Bonds 104.3%</b>   |              | <b>1,773,188,770</b> |

**Floating Rate Loan Interests (d)****Airlines 1.0%**

|                                                                    |       |           |
|--------------------------------------------------------------------|-------|-----------|
| American Airlines, Inc., Claim<br>Participation 1, 0.23%, 12/31/49 | 1,365 | 595,140   |
| Delta Air Lines, Inc., Term Loan B1,<br>3.50%, 10/18/18            | 2,367 | 2,371,692 |
| Northwest Airlines, Inc., Term Loan:<br>2.24%, 3/10/17             | 6,202 | 5,984,179 |

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|                                                                               |       |            |
|-------------------------------------------------------------------------------|-------|------------|
| 1.62%, 9/10/18                                                                | 8,118 | 7,671,825  |
|                                                                               |       | 16,622,836 |
| <b>Auto Components 0.6%</b>                                                   |       |            |
| Federal-Mogul Corp.:                                                          |       |            |
| Term Loan B, 2.10%, 12/27/14                                                  | 6,516 | 6,462,888  |
| Term Loan C, 2.10%, 12/27/15                                                  | 3,353 | 3,325,094  |
| Schaeffler AG, Term Loan C, 4.25%,<br>1/27/17                                 | 995   | 1,001,527  |
|                                                                               |       | 10,789,509 |
| <b>Building Products 0.1%</b>                                                 |       |            |
| Wilsonart LLC, Term Loan B, 4.00%,<br>10/31/19                                | 2,327 | 2,323,593  |
| <b>Capital Markets 0.2%</b>                                                   |       |            |
| American Capital Holdings, Inc., Term<br>Loan, 3.50%, 8/22/17                 | 3,014 | 3,013,500  |
| KCG Holdings, Inc., Term Loan B, 5.75%,<br>12/05/17                           | 498   | 499,610    |
|                                                                               |       | 3,513,110  |
| <b>Chemicals 0.1%</b>                                                         |       |            |
| Axalta Coating Systems US Holdings,<br>Inc., Term Loan, 4.00%, 2/01/20        | 298   | 298,813    |
| OXEAFinance LLC, 2nd Lien Term Loan,<br>8.25%, 7/15/20                        | 1,615 | 1,645,782  |
|                                                                               |       | 1,944,595  |
| <b>Commercial Services &amp; Supplies 0.5%</b>                                |       |            |
| AWAS Finance Luxembourg Sarl, Term<br>Loan B, 3.50%, 6/10/16                  | 1,831 | 1,835,345  |
| Brand Energy & Infrastructure Services,<br>Inc., Term Loan B, 4.75%, 11/26/20 | 1,944 | 1,950,509  |
| Catalent Pharma Solutions, Inc., Term<br>Loan, 6.50%, 12/29/17                | 1,435 | 1,452,938  |
| Spin Holdco, Inc., Term Loan B, 4.25%,<br>11/14/19                            | 2,646 | 2,648,634  |
|                                                                               |       | 7,887,426  |
| <b>Communications Equipment 1.0%</b>                                          |       |            |
| Alcatel-Lucent USA, Inc., Term Loan C,<br>4.50%, 1/30/19                      | 9,665 | 9,745,496  |
| Zayo Group LLC/Zayo Capital, Inc., Term<br>Loan B, 4.00%, 7/02/19             | 7,738 | 7,753,072  |
|                                                                               |       | 17,498,568 |
| <b>Construction Materials 0.3%</b>                                            |       |            |
| HD Supply, Inc., Term Loan B, 4.00%,<br>6/28/18                               | 4,851 | 4,865,043  |
| See Notes to Financial Statements.                                            |       |            |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                          |     | Par<br>(000) | Value                  |
|--------------------------------------------------------------------------|-----|--------------|------------------------|
| <b>Floating Rate Loan Interests (d)</b>                                  |     |              |                        |
| <b>Containers &amp; Packaging 0.2%</b>                                   |     |              |                        |
| Ardagh Holdings USA, Inc.:                                               |     |              |                        |
| Incremental Term Loan, 4.00%, 12/17/19                                   | USD | 855          | \$ 858,206             |
| Term Loan B, 4.25%, 12/17/19                                             |     | 1,020        | 1,022,550              |
| Tekni-Plex, Inc., Term Loan B, 5.50% - 6.50%,<br>8/25/19                 |     | 1,468        | 1,467,625<br>3,348,381 |
| <b>Diversified Consumer Services 0.2%</b>                                |     |              |                        |
| ServiceMaster Co.:                                                       |     |              |                        |
| Extended Term Loan, 4.41%, 1/31/17                                       |     | 915          | 916,269                |
| Term Loan, 4.25%, 1/31/17                                                |     | 1,821        | 1,820,390<br>2,736,659 |
| <b>Diversified Financial Services 0.1%</b>                               |     |              |                        |
| Level 3 Financing, Inc., Term Loan, 4.00%,<br>8/01/19                    |     | 1,785        | 1,790,355              |
| <b>Diversified Telecommunication Services 0.2%</b>                       |     |              |                        |
| Hawaiian Telcom Communications, Inc., Term<br>Loan B, 5.00%, 6/06/19     |     | 3,157        | 3,169,821              |
| <b>Electric Utilities 0.4%</b>                                           |     |              |                        |
| American Energy Utica LLC, 2nd Lien Term<br>Loan, 11.00%, 9/30/18        |     | 5,617        | 5,870,254              |
| Sandy Creek Energy Associates LP, Term Loan<br>B, 5.00%, 11/06/20        |     | 1,195        | 1,197,426<br>7,067,680 |
| <b>Electronic Equipment, Instruments &amp; Components 0.0%</b>           |     |              |                        |
| CDW LLC, Term Loan, 3.25%, 4/29/20                                       |     | 678          | 674,616                |
| <b>Energy Equipment &amp; Services 0.1%</b>                              |     |              |                        |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%,<br>4/23/20                   |     | 1,000        | 1,002,975              |
| <b>Food &amp; Staples Retailing 0.0%</b>                                 |     |              |                        |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%,<br>8/21/20                    |     | 600          | 612,498                |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>                         |     |              |                        |
| Capital Safety North America Holding, Inc.,<br>Term Loan, 4.50%, 1/21/19 |     | 3,313        | 3,313,228              |
| LHP Hospital Group, Inc., Term Loan, 9.00%,<br>7/03/18                   |     | 967          | 940,352<br>4,253,580   |
| <b>Health Care Providers &amp; Services 0.4%</b>                         |     |              |                        |
| CHS/Community Health Systems, Inc., Term<br>Loan D, 4.25%, 1/27/21       |     | 4,005        | 4,038,362              |
| Genesis HealthCare Corp., Term Loan B,<br>10.00% - 10.75%, 9/25/17       |     | 1,269        | 1,303,786              |
| inVentiv Health, Inc., Combined Term Loan,<br>7.50%, 8/04/16             |     | 2,141        | 2,136,546<br>7,478,694 |

**Hotels, Restaurants & Leisure 5.0%**

|                                                                               |        |            |
|-------------------------------------------------------------------------------|--------|------------|
| Bally Technologies, Inc., Term Loan B, 4.25%,<br>11/25/20                     | 2,539  | 2,552,600  |
| Boyd Gaming Corp., Term Loan B, 4.00%,<br>8/14/20                             | 2,414  | 2,415,736  |
| Bronco Midstream Funding LLC, Term Loan B,<br>5.00%, 8/17/20                  | 6,412  | 6,463,633  |
| Caesars Entertainment Resort Properties, LLC,<br>Term Loan B, 7.00%, 10/12/20 | 27,640 | 28,049,625 |
| Hilton Worldwide Finance, LLC, Term Loan B2,<br>3.75%, 10/26/20               | 15,607 | 15,653,010 |
| La Quinta Intermediate Holdings, Term Loan B,<br>4.00%, 2/19/21               | 6,355  | 6,367,710  |
| Las Vegas Sands LLC, Term Loan B, 3.25%,<br>12/20/20                          | 3,120  | 3,116,755  |
| MGM Resorts International, Term Loan B,<br>3.50%, 12/20/19                    | 2,961  | 2,955,304  |
| Pinnacle Entertainment, Inc., Term Loan B2,<br>3.75%, 8/13/20                 | 3,075  | 3,077,440  |
| Playa Resorts Holding BV, Term Loan B,<br>4.75%, 8/06/19                      | 3,596  | 3,609,472  |

**Floating Rate Loan Interests (d)****Hotels, Restaurants & Leisure (concluded)**

|                                                                        | <b>Par<br/>(000)</b> | <b>Value</b> |
|------------------------------------------------------------------------|----------------------|--------------|
| Station Casinos, Inc., Term Loan B, 5.00%,<br>3/02/20                  | USD 5,106            | \$ 5,107,996 |
| Travelport LLC:                                                        |                      |              |
| 2nd Lien Term Loan 1, 9.50%, 1/29/16                                   | 547                  | 566,957      |
| 2nd Lien Term Loan 2, 4.00% (4.00% Cash or<br>4.38% PIK), 12/01/16 (b) | 2,502                | 2,571,018    |
| Refinancing Term Loan, 6.25%, 6/26/19                                  | 1,617                | 1,656,796    |
|                                                                        |                      | 84,164,052   |

**Industrial Conglomerates 0.4%**

|                                          |       |           |
|------------------------------------------|-------|-----------|
| Sequa Corp., Term Loan B, 5.25%, 6/19/17 | 6,416 | 6,314,612 |
|------------------------------------------|-------|-----------|

**Insurance 0.3%**

|                                                           |       |                        |
|-----------------------------------------------------------|-------|------------------------|
| Alliant Holdings I, Inc., Term Loan B, 4.25%,<br>12/20/19 | 1,681 | 1,690,766              |
| Hub International Ltd., Term Loan B, 4.75%,<br>10/02/20   | 3,890 | 3,922,656<br>5,613,422 |

**Internet Software & Services 0.1%**

|                                                        |       |           |
|--------------------------------------------------------|-------|-----------|
| Interactive Data Corp., Term Loan B, 3.75%,<br>2/11/18 | 2,105 | 2,106,540 |
|--------------------------------------------------------|-------|-----------|

**IT Services 0.3%**

|                                                                |       |                        |
|----------------------------------------------------------------|-------|------------------------|
| Ceridian Corp., Term Loan B, 4.37% - 4.40%,<br>5/09/17         | 1,700 | 1,704,675              |
| First Data Corp., Extended 2018 Term Loan B,<br>4.16%, 3/23/18 | 4,040 | 4,044,040<br>5,748,715 |

**Life Sciences Tools & Services 0.1%**

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|                                                                         |     |       |            |
|-------------------------------------------------------------------------|-----|-------|------------|
| Patheon, Inc., Term Loan, Term Loan, 7.25%,<br>12/06/18                 |     | 1,131 | 1,127,295  |
| <b>Machinery 1.3%</b>                                                   |     |       |            |
| Gardner Denver, Inc.:                                                   |     |       |            |
| 4.25%, 7/30/20                                                          |     | 7,290 | 7,256,014  |
| 4.75%, 7/30/20                                                          | EUR | 7,458 | 10,310,721 |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%,<br>8/21/20                    | USD | 3,635 | 3,642,956  |
| Silver II US Holdings LLC, Term Loan, 4.00%,<br>12/13/19                |     | 1,159 | 1,160,720  |
|                                                                         |     |       | 22,370,411 |
| <b>Media 1.9%</b>                                                       |     |       |            |
| Cengage Learning Acquisitions, Inc.:                                    |     |       |            |
| Non Extended Term Loan, 4.75%, 7/03/14                                  |     | 1,777 | 1,674,562  |
| Tranche 1 Incremental, 9.50%, 7/03/14                                   |     | 8,692 | 8,075,161  |
| Clear Channel Communications, Inc.:                                     |     |       |            |
| Term Loan B, 3.80%, 1/29/16                                             |     | 747   | 733,263    |
| Term Loan C, 3.80%, 1/29/16                                             |     | 527   | 513,429    |
| Term Loan D, 6.90%, 1/30/19                                             |     | 8,252 | 8,097,577  |
| EMI Music Publishing Ltd., Term Loan B,<br>4.25%, 6/29/18               |     | 1,993 | 1,995,024  |
| Getty Images, Inc., Term Loan B, 4.75%,<br>10/18/19                     |     | 75    | 71,920     |
| Harron Communications Corp., Refinancing<br>Term Loan B, 3.50%, 6/20/20 |     | 3,259 | 3,257,615  |
| Media General, Inc., Delayed Draw Term Loan<br>B, 4.25%, 7/31/20        |     | 3,760 | 3,790,569  |
| Tribune Co., 2013 Term Loan, 4.00%, 12/27/20                            |     | 475   | 474,553    |
| TWCC Holding Corp., 2nd Lien Term Loan,<br>7.00%, 6/26/20               |     | 585   | 565,987    |
| Univision Communications, Inc., Term Loan C4,<br>4.00%, 3/01/20         |     | 1,370 | 1,372,834  |
| Virgin Media Investment Holdings Ltd., Term<br>Loan B, 3.50%, 6/08/20   |     | 1,860 | 1,858,010  |
|                                                                         |     |       | 32,480,504 |
| <b>Metals &amp; Mining 0.8%</b>                                         |     |       |            |
| Constellium Holdco BV, Term Loan B, 6.00%,<br>3/25/20                   |     | 4,908 | 5,006,071  |
| FMG Resources Property Ltd., Term Loan B,<br>4.25%, 6/28/19             |     | 8,809 | 8,888,111  |
|                                                                         |     |       | 13,894,182 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                         |     | Par<br>(000) | Value        |
|-------------------------------------------------------------------------|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (d)</b>                                 |     |              |              |
| <b>Multiline Retail 0.6%</b>                                            |     |              |              |
| BJ's Wholesale Club, Inc., 2nd Lien Term Loan,<br>8.50%, 3/26/20        | USD | 1,065        | \$ 1,092,626 |
| HEMA Holding BV, Mezzanine, 5.22%, 7/05/17 (b)                          | EUR | 4,671        | 5,673,230    |
| The Neiman Marcus Group, Inc., Term Loan B,<br>5.00%, 10/25/20          | USD | 2,608        | 2,637,547    |
|                                                                         |     |              | 9,403,403    |
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>                             |     |              |              |
| Chesapeake Energy Corp., Unsecured Term Loan,<br>5.75%, 12/01/17        |     | 7,435        | 7,597,008    |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15               |     | 2,946        | 2,990,431    |
|                                                                         |     |              | 10,587,439   |
| <b>Pharmaceuticals 0.3%</b>                                             |     |              |              |
| Par Pharmaceutical Companies, Inc., Term Loan B,<br>4.00%, 9/30/19      |     | 3,950        | 3,953,181    |
| Pharmaceutical Product Development LLC, Term<br>Loan B, 4.00%, 12/05/18 |     | 1,384        | 1,389,147    |
|                                                                         |     |              | 5,342,328    |
| <b>Real Estate Investment Trusts (REITs) 0.2%</b>                       |     |              |              |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17                       |     | 3,860        | 3,867,713    |
| <b>Real Estate Management &amp; Development 0.0%</b>                    |     |              |              |
| Realogy Corp., Extended Letter of Credit, 4.40%,<br>10/10/16            |     | 493          | 493,711      |
| <b>Road &amp; Rail 0.1%</b>                                             |     |              |              |
| Genesee & Wyoming, Inc., Term Loan A, 1.90% -<br>1.91%, 9/28/17         |     | 1,455        | 1,455,264    |
| <b>Software 0.4%</b>                                                    |     |              |              |
| BMC Software Finance, Inc., Term Loan, 5.00%,<br>9/10/20                |     | 775          | 776,775      |
| GCA Services Group, Inc., 2nd Lien Term Loan,<br>9.25%, 10/22/20        |     | 260          | 262,925      |
| Infor US, Inc., Term Loan B5, 3.75%, 6/03/20                            |     | 2,788        | 2,781,783    |
| Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20                        |     | 2,845        | 2,894,415    |
|                                                                         |     |              | 6,715,898    |
| <b>Specialty Retail 0.3%</b>                                            |     |              |              |
| David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19                      |     | 2,970        | 2,984,850    |
| Party City Holdings, Inc., Term Loan, 4.00%,<br>7/27/19                 |     | 1,113        | 1,113,059    |
|                                                                         |     |              | 4,097,909    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                        |     |              |              |
| Ascend Performance Materials LLC, Term Loan B,<br>6.75%, 4/10/18        |     | 6,165        | 5,980,232    |
| <b>Total Floating Rate Loan Interests 18.8%</b>                         |     |              | 319,343,569  |

**Non-Agency Mortgage-Backed Securities 0.2%****Commercial Mortgage-Backed Securities 0.2%**Hilton USA Trust, Series 2013-HLT, Class EFX,  
4.45%, 11/05/30 (c)(d)

|                                          |              |
|------------------------------------------|--------------|
| 3,829                                    | 3,935,370    |
| <b>Beneficial<br/>Interest<br/>(000)</b> | <b>Value</b> |

**Other Interests (I)****Auto Components 0.0%**

Lear Corp. Escrow

USD

|       |           |
|-------|-----------|
| 1,250 | \$ 10,937 |
|-------|-----------|

**Media 0.0%**

Adelphia Escrow (a)

|       |    |
|-------|----|
| 4,000 | 40 |
|-------|----|

Adelphia Recovery Trust (a)

|       |       |
|-------|-------|
| 5,017 | 5,017 |
|-------|-------|

|       |
|-------|
| 5,057 |
|-------|

**Total Other Interests 0.0%**

|        |
|--------|
| 15,994 |
|--------|

**Preferred Securities**

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

**Capital Trusts****Diversified Financial Services 0.3%**Bank of America Corp., Series U, 5.20%  
(d)(g)

|       |           |
|-------|-----------|
| 1,165 | 1,095,100 |
|-------|-----------|

Barclays PLC, 8.00% (d)(g)

|     |           |
|-----|-----------|
| 985 | 1,447,970 |
|-----|-----------|

Citigroup, Inc., Series D, 5.35% (d)(g)

|       |         |
|-------|---------|
| 1,055 | 989,062 |
|-------|---------|

JPMorgan Chase & Co., Series Q, 5.15%  
(d)(g)

|     |         |
|-----|---------|
| 850 | 803,250 |
|-----|---------|

NBCUniversal Enterprise, Inc., 5.25%  
(c)(g)

|     |         |
|-----|---------|
| 400 | 402,000 |
|-----|---------|

**Total Capital Trusts 0.3%**

|           |
|-----------|
| 4,737,382 |
|-----------|

**Preferred Stocks**

|               |
|---------------|
| <b>Shares</b> |
|---------------|

**Airlines 0.0%**American Airlines Group, Inc., Series A,  
6.25%

|        |         |
|--------|---------|
| 12,394 | 344,553 |
|--------|---------|

**Capital Markets 0.1%**RBS Capital Funding Trust VII, Series G,  
6.08%

|        |         |
|--------|---------|
| 37,580 | 845,550 |
|--------|---------|

State Street Corp., Series D, 5.90% (d)

|        |         |
|--------|---------|
| 20,889 | 530,580 |
|--------|---------|

|           |
|-----------|
| 1,376,130 |
|-----------|

**Consumer Finance 0.1%**

Ally Financial, Inc., Series A, 8.50% (d)

|        |           |
|--------|-----------|
| 41,694 | 1,140,331 |
|--------|-----------|

**Diversified Financial Services 0.4%**

Citigroup, Inc., Series J, 7.13% (d)

|         |           |
|---------|-----------|
| 235,000 | 6,262,750 |
|---------|-----------|

**Media 0.0%**Emmis Communications Corp., Series A,  
6.25%

|        |         |
|--------|---------|
| 10,300 | 159,650 |
|--------|---------|

**Oil, Gas & Consumable Fuels 0.3%**

Chesapeake Energy Corp.:

5.75%

|       |           |
|-------|-----------|
| 4,151 | 4,625,708 |
|-------|-----------|

5.75% (c)

|       |           |
|-------|-----------|
| 1,182 | 1,343,048 |
|-------|-----------|

|                                                   |             |            |
|---------------------------------------------------|-------------|------------|
|                                                   |             | 5,968,756  |
| <b>Wireless Telecommunication Services</b>        | <b>0.1%</b> |            |
| Crown Castle International Corp., Series A, 4.50% | 19,340      | 1,970,746  |
| <b>Total Preferred Stocks</b>                     | <b>1.0%</b> | 17,222,916 |

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|                                                    |             |            |
|----------------------------------------------------|-------------|------------|
| <b>Trust Preferreds</b>                            | <b>1.3%</b> |            |
| <b>Diversified Financial Services</b>              | <b>1.3%</b> |            |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (d) | 801,466     | 21,678,403 |
| <b>Total Preferred Securities</b>                  | <b>2.6%</b> | 43,638,701 |
| See Notes to Financial Statements.                 |             |            |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|                                                                                                                             | Shares        | Value           |
|-----------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|
| <b>Warrants (m)</b>                                                                                                         |               |                 |
| <b>Media 0.0%</b>                                                                                                           |               |                 |
| New Vision Holdings LLC (Expires 9/30/14)                                                                                   | 89,790        | \$ 4,858        |
| <b>Metals &amp; Mining 0.0%</b>                                                                                             |               |                 |
| Peninsula Energy Ltd. (Expires 12/31/15)                                                                                    | 20,061,773    | 179,021         |
| Peninsula Energy Ltd. (Expires 12/31/15)                                                                                    | 11,552,784    | 53,607          |
|                                                                                                                             |               | 232,628         |
| <b>Software 0.0%</b>                                                                                                        |               |                 |
| HMH Holdings/EduMedia<br>(Issued/Exercisable 3/09/10, 19 Shares for<br>1 Warrant, Expires 6/22/19, Strike Price<br>\$42.27) | 6,494         | 22,969          |
| <b>Total Warrants 0.0%</b>                                                                                                  |               | 260,455         |
| <b>Total Long-Term Investments<br/>(Cost \$2,261,024,041) 138.5%</b>                                                        |               | 2,354,114,568   |
| <b>Short-Term Securities</b>                                                                                                | <b>Shares</b> | <b>Value</b>    |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.03% (n)(o)                                                   | 157,213       | \$ 157,213      |
| <b>Total Short-Term Securities<br/>(Cost \$157,213) 0.0%</b>                                                                |               | 157,213         |
| <b>Options Purchased<br/>(Cost \$38,133) 0.0%</b>                                                                           |               |                 |
| <b>Total Investments (Cost \$2,261,219,387) 138.5%</b>                                                                      |               | 2,354,271,781   |
| <b>Liabilities in Excess of Other Assets (38.5%)</b>                                                                        |               | (654,274,978)   |
| <b>Net Assets 100.0%</b>                                                                                                    |               | \$1,699,996,803 |

## Notes to Consolidated Schedule of Investments

- (a) Non-income producing security.
- (b) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
- (c) 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.
- (d) Variable rate security. Rate shown is as of report date.
- (e) Convertible security.
- (f) Zero-coupon bond.
- (g) Security is perpetual in nature and has no stated maturity date.
- (h) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty         | Value      | Unrealized<br>Appreciation |
|----------------------|------------|----------------------------|
| Bank of America N.A. | \$ 742,775 | \$12,775                   |

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|                        |             |          |
|------------------------|-------------|----------|
| Barclays Capital, Inc. | \$1,203,528 | \$23,528 |
| Goldman Sachs & Co.    | \$ 643,180  | \$18,026 |
| Jefferies LLC          | \$2,544,100 | \$74,100 |

- (i) All or a portion of security has been pledged as collateral in connection with outstanding swaps.
- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (k) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (l) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (m) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (n) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                                                | Shares Held at August 31, 2013 | Shares Purchased | Shares Sold              | Shares Held at February 28, 2014 | Value at February 28, 2014 | Income | Realized Gain |
|----------------------------------------------------------|--------------------------------|------------------|--------------------------|----------------------------------|----------------------------|--------|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,737,587                      |                  | (1,580,374) <sup>1</sup> | 157,213                          | \$157,213                  | \$634  |               |
| iShares MSCI EAFE ETF <sup>2</sup>                       | 18,790                         |                  | (18,790)                 |                                  |                            |        | \$61,883      |

<sup>1</sup> Represents net shares sold.

<sup>2</sup> No longer held by the Trust as of report date.

- (o) Represents the current yield as of report date.  
For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.  
Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts Sold | Issue                    | Exchange               | Expiration | Notional Value  | Unrealized Depreciation |
|----------------|--------------------------|------------------------|------------|-----------------|-------------------------|
| (1,135)        | S&P 500 E-Mini Index     | Chicago Mercantile     | March 2014 | USD 105,418,800 | \$(2,939,052)           |
| (164)          | 5-Year US Treasury Note  | Chicago Board of Trade | June 2014  | USD 19,656,938  | (32,220)                |
| (116)          | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | USD 14,445,625  | (46,589)                |
| <b>Total</b>   |                          |                        |            |                 | <b>\$(3,017,861)</b>    |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

Foreign currency exchange contracts outstanding as of February 28, 2014 were as follows:

| Currency Purchased |             | Currency Sold |            | Counterparty                | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-------------|---------------|------------|-----------------------------|-----------------|----------------------------------------|
| GBP                | 413,000     | USD           | 689,052    | Goldman Sachs International | 3/04/14         | \$ 2,537                               |
| EUR                | 2,223,000   | USD           | 3,051,781  | Deutsche Bank AG            | 4/22/14         | 16,573                                 |
| GBP                | 150,000     | USD           | 244,675    | Citibank N.A.               | 4/22/14         | 6,416                                  |
| GBP                | 268,000     | USD           | 445,803    | Citibank N.A.               | 4/22/14         | 2,813                                  |
| USD                | 692,063     | AUD           | 781,000    | JPMorgan Chase Bank N.A.    | 4/22/14         | (2,570)                                |
| USD                | 20,144,295  | CAD           | 22,105,000 | Barclays Bank PLC           | 4/22/14         | 204,889                                |
| USD                | 1,164,093   | EUR           | 861,000    | Barclays Bank PLC           | 4/22/14         | (24,325)                               |
| USD                | 2,599,778   | EUR           | 1,921,000  | Barclays Bank PLC           | 4/22/14         | (51,733)                               |
| USD                | 135,345     | EUR           | 100,000    | Barclays Bank PLC           | 4/22/14         | (2,683)                                |
| USD                | 1,840,260   | EUR           | 1,342,000  | Barclays Bank PLC           | 4/22/14         | (12,070)                               |
| USD                | 2,440,447   | EUR           | 1,785,000  | Citibank N.A.               | 4/22/14         | (23,346)                               |
| USD                | 423,468     | EUR           | 310,000    | Credit Suisse International | 4/22/14         | (4,417)                                |
| USD                | 1,378,008   | EUR           | 1,006,000  | Goldman Sachs International | 4/22/14         | (10,550)                               |
| USD                | 1,001,438   | EUR           | 740,000    | Goldman Sachs International | 4/22/14         | (19,967)                               |
| USD                | 415,364     | EUR           | 306,000    | Goldman Sachs International | 4/22/14         | (7,000)                                |
| USD                | 1,241,036   | EUR           | 910,000    | Goldman Sachs International | 4/22/14         | (15,015)                               |
| USD                | 1,696,712   | EUR           | 1,235,000  | Goldman Sachs International | 4/22/14         | (7,929)                                |
| USD                | 126,510,628 | EUR           | 93,096,176 | Royal Bank of Scotland PLC  | 4/22/14         | (1,987,805)                            |
| USD                | 2,577,047   | GBP           | 1,555,000  |                             | 4/22/14         | (25,932)                               |

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|              |            |     |            |                                                                  |         |                      |
|--------------|------------|-----|------------|------------------------------------------------------------------|---------|----------------------|
| USD          | 688,806    | GBP | 413,000    | Barclays Bank<br>PLC                                             | 4/22/14 | (2,532)              |
| USD          | 61,953,568 | GBP | 37,734,000 | Goldman Sachs<br>International<br>JPMorgan<br>Chase Bank<br>N.A. | 4/22/14 | (1,210,945)          |
| <b>Total</b> |            |     |            |                                                                  |         | <b>\$(3,175,591)</b> |

OTC options purchased as of February 28, 2014 were as follows:

| Description                    | Counterparty        | Put/<br>Call | Strike<br>Price | Expiration<br>Date | Contracts | Market<br>Value |
|--------------------------------|---------------------|--------------|-----------------|--------------------|-----------|-----------------|
| Marsico Parent Superholdco LLC | Goldman Sachs & Co. | Call         | USD 942.86      | 12/14/19           | 39        |                 |

OTC credit default swaps buy protection outstanding as of February 28, 2014 were as follows:

| Issuer                             | Pay<br>Fixed<br>Rate | Counterparty         | Expiration<br>Date | Notional<br>Amount<br>(000) | Market<br>Value  | Premiums<br>Paid  | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------------------|----------------------|----------------------|--------------------|-----------------------------|------------------|-------------------|----------------------------------------------|
| Clear Channel Communications, Inc. | 5.00%                | Deutsche<br>Bank AG  | 3/20/16            | USD 35                      | \$671            | \$3,664           | \$(2,993 )                                   |
| Clear Channel Communications, Inc. | 5.00%                | Barclays Bank<br>PLC | 3/20/16            | USD 18                      | 336              | 1,898             | (1,562 )                                     |
| The New York Times Co.             | 1.00%                | Barclays Bank<br>PLC | 12/20/16           | USD 225                     | (2,751 )         | 8,818             | (11,569)                                     |
| RadioShack Corp.                   | 5.00%                | Deutsche<br>Bank AG  | 9/20/18            | USD 367                     | 131,604          | 103,019           | 28,585                                       |
| RadioShack Corp.                   | 5.00%                | Deutsche<br>Bank AG  | 9/20/18            | USD 367                     | 131,605          | 101,438           | 30,167                                       |
| RadioShack Corp.                   | 5.00%                | Deutsche<br>Bank AG  | 9/20/18            | USD 367                     | 131,603          | 91,916            | 39,687                                       |
| <b>Total</b>                       |                      |                      |                    |                             | <b>\$393,068</b> | <b>\$ 310,753</b> | <b>\$82,315</b>                              |

OTC credit default swaps sold protection outstanding as of February 28, 2014 were as follows:

|                                   | Receive<br>Fixed<br>Rate | Counterparty         | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Market<br>Value | Premiums<br>Paid/<br>(Received) | Unre<br>Appr<br>(Dep |
|-----------------------------------|--------------------------|----------------------|--------------------|-------------------------------|------------------------------------------|-----------------|---------------------------------|----------------------|
| Entertainment Operating Co., Inc. | 5.00%                    | Barclays Bank<br>PLC | 9/20/15            | CCC-                          | USD 34                                   | \$(6,640 )      | \$(6,144 )                      | \$(4                 |
| ack Corp.                         | 5.00%                    | Deutsche<br>Bank AG  | 9/20/15            | CCC-                          | USD 367                                  | (53,322 )       | (43,214 )                       | (1                   |
| ack Corp.                         | 5.00%                    | Deutsche<br>Bank AG  | 9/20/15            | CCC-                          | USD 367                                  | (53,322 )       | (43,270 )                       | (1                   |
| ack Corp.                         | 5.00%                    | Deutsche             | 9/20/15            | CCC-                          | USD 367                                  | (53,322 )       | (35,432 )                       | (1                   |

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|                                   |       |               |          |      |           |           |           |     |  |
|-----------------------------------|-------|---------------|----------|------|-----------|-----------|-----------|-----|--|
|                                   |       | Bank AG       |          |      |           |           |           |     |  |
|                                   |       | JPMorgan      |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Chase Bank    | 12/20/15 | CCC  | USD 1,395 | (319,534) | (315,094) | (4) |  |
|                                   |       | N.A.          |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Citibank N.A. | 12/20/15 | CCC- | USD 143   | (32,727 ) | (28,800 ) | (3) |  |
|                                   |       | JPMorgan      |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Chase Bank    | 12/20/15 | CCC- | USD 375   | (85,985 ) | (73,503 ) | (1) |  |
|                                   |       | N.A.          |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Citibank N.A. | 12/20/15 | CCC- | USD 70    | (16,031 ) | (12,642 ) | (3) |  |
| Entertainment Operating Co., Inc. | 5.00% | Barclays Bank | 12/20/15 | CCC- | USD 95    | (21,653 ) | (16,399 ) | (5) |  |
|                                   |       | PLC           |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Goldman       | 12/20/15 | CCC- | USD 913   | (209,088) | (102,215) | (1) |  |
|                                   |       | Sachs         |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | International | 3/20/16  | CCC- | USD 543   | (144,523) | (104,676) | (3) |  |
|                                   |       | Goldman       |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Sachs         | 3/20/16  | CCC- | USD 543   | (144,523) | (104,676) | (3) |  |
|                                   |       | International |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Goldman       | 3/20/16  | CCC- | USD 1,615 | (429,454) | (296,469) | (1) |  |
|                                   |       | Sachs         |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | International | 3/20/16  | CCC- | USD 12    | (3,121 )  | (2,010 )  | (1) |  |
|                                   |       | Barclays Bank |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | PLC           | 3/20/16  | CCC- | USD 378   | (100,507) | (65,977 ) | (3) |  |
|                                   |       | Goldman       |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | Sachs         | 3/20/16  | CCC- | USD 231   | (61,520 ) | (38,134 ) | (2) |  |
|                                   |       | International |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | JPMorgan      | 3/20/16  | CCC- | USD 11    | (3,031 )  | (1,733 )  | (1) |  |
|                                   |       | Chase Bank    |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | N.A.          | 3/20/16  | CCC- | USD 11    | (3,031 )  | (1,733 )  | (1) |  |
|                                   |       | Barclays Bank |          |      |           |           |           |     |  |
| Entertainment Operating Co., Inc. | 5.00% | PLC           | 3/20/16  | CCC- | USD 11    | (3,031 )  | (1,733 )  | (1) |  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

OTC credit default swaps sold protection outstanding as of February 28, 2014 were as follows (concluded):

|                                | Receive<br>Fixed<br>Rate | Counterparty                      | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Market<br>Value | Premiums<br>Paid/<br>(Received) | Un<br>Ap<br>(De |
|--------------------------------|--------------------------|-----------------------------------|--------------------|-------------------------------|------------------------------------------|-----------------|---------------------------------|-----------------|
| ertainment Operating Co., Inc. | 5.00%                    | Citibank N.A.                     | 3/20/16            | CCC-                          | USD 48                                   | \$(12,889 )     | \$(7,530 )                      | \$              |
| ertainment Operating Co., Inc. | 5.00%                    | Goldman<br>Sachs                  | 3/20/16            | CCC-                          | USD 1,784                                | (474,499 )      | (251,525 )                      | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Citibank N.A.    | 3/20/16            | CCC-                          | USD 324                                  | (86,139 )       | (46,377 )                       | (               |
| ertainment Operating Co., Inc. | 5.00%                    | Goldman<br>Sachs                  | 3/20/16            | CCC-                          | USD 74                                   | (19,699 )       | (10,442 )                       | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 3/20/16            | CCC-                          | USD 26                                   | (6,910 )        | (4,536 )                        | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 3/20/16            | CCC-                          | USD 53                                   | (14,048 )       | (9,698 )                        | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 3/20/16            | CCC-                          | USD 17                                   | (4,570 )        | (3,310 )                        | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 3/20/16            | CCC-                          | USD 17                                   | (4,570 )        | (3,310 )                        | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 6/20/16            | CCC-                          | USD 1,104                                | (329,645 )      | (227,857 )                      | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 6/20/16            | CCC-                          | USD 2,110                                | (629,984 )      | (421,719 )                      | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 6/20/16            | CCC-                          | USD 74                                   | (22,240 )       | (15,094 )                       | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 6/20/16            | CCC-                          | USD 3,791                                | (1,132,011)     | (768,270 )                      | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 6/20/16            | CCC-                          | USD 21                                   | (6,120 )        | (3,450 )                        | (               |
| ertainment Operating Co., Inc. | 5.00%                    | International<br>Goldman<br>Sachs | 6/20/16            | CCC-                          | USD 609                                  | (181,919 )      | (102,558 )                      | (               |
| ertainment Operating Co., Inc. | 5.00%                    | Barclays Bank<br>PLC              | 6/20/16            | CCC-                          | USD 30                                   | (8,957 )        | (4,751 )                        | (               |
| ertainment Operating Co., Inc. | 5.00%                    |                                   | 6/20/16            | CCC-                          | USD 982                                  | (293,327 )      | (164,277 )                      | (               |



**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 or liabilities that the Trust has the ability to access

**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)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See Notes to Financial Statements.

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

## Consolidated Schedule of Investments (continued)

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, please refer to Note 2 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 February 28, 2014:

|                                       | Level 1               | Level 2                 | Level 3               | Total                   |
|---------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| <b>Assets:</b>                        |                       |                         |                       |                         |
| Investments:                          |                       |                         |                       |                         |
| Long-Term Investments:                |                       |                         |                       |                         |
| Common Stocks                         | \$ 138,153,874        | \$ 8,522,983            | \$ 55,267,551         | \$ 201,944,408          |
| Asset-Backed Securities               |                       | 9,889,840               | 1,897,461             | 11,787,301              |
| Corporate Bonds                       |                       | 1,763,336,010           | 10,254,760            | 1,773,590,770           |
| Floating Rate Loan Interests          |                       | 265,946,863             | 53,396,706            | 319,343,569             |
| Non-Agency Mortgage-Backed Securities |                       | 3,935,370               |                       | 3,935,370               |
| Other Interests                       | 5,017                 |                         | 10,977                | 15,994                  |
| Preferred Securities                  | 32,772,913            | 10,463,788              |                       | 43,236,701              |
| Warrants                              | 179,021               | 22,969                  | 58,465                | 260,455                 |
| Short-Term Securities                 | 157,213               |                         |                       | 157,213                 |
| <b>Total</b>                          | <b>\$ 171,268,038</b> | <b>\$ 2,062,117,823</b> | <b>\$ 120,885,920</b> | <b>\$ 2,354,271,781</b> |

|                                               | Level 1     | Level 2      | Level 3      | Total        |
|-----------------------------------------------|-------------|--------------|--------------|--------------|
| Derivative Financial Instruments <sup>1</sup> |             |              |              |              |
| <b>Assets:</b>                                |             |              |              |              |
| Credit contracts                              |             | \$ 1,156,439 | \$ 2,159,782 | \$ 3,316,221 |
| Foreign currency exchange contracts           | \$ 2,537    | 230,691      |              | 233,228      |
| <b>Liabilities:</b>                           |             |              |              |              |
| Credit contracts                              |             | (2,763,107)  |              | (2,763,107)  |
| Equity contracts                              | (2,939,052) |              |              | (2,939,052)  |
| Foreign currency exchange contracts           |             | (3,408,819)  |              | (3,408,819)  |

|                         |                       |                       |                     |                       |
|-------------------------|-----------------------|-----------------------|---------------------|-----------------------|
| Interest rate contracts | (78,809)              |                       |                     | (78,809)              |
| <b>Total</b>            | <b>\$ (3,015,324)</b> | <b>\$ (4,784,796)</b> | <b>\$ 2,159,782</b> | <b>\$ (5,640,338)</b> |

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

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                                 | Level 1             | Level 2                 | Level 3 | Total                   |
|-------------------------------------------------|---------------------|-------------------------|---------|-------------------------|
| <b>Assets:</b>                                  |                     |                         |         |                         |
| Cash                                            | \$ 62,798           |                         |         | \$ 62,798               |
| Cash pledged as collateral for OTC derivatives  | 3,595,000           |                         |         | 3,595,000               |
| Cash pledged for financial futures contracts    | 5,330,000           |                         |         | 5,330,000               |
| Foreign currency at value                       | 37,034              |                         |         | 37,034                  |
| <b>Liabilities:</b>                             |                     |                         |         |                         |
| Bank borrowings payable                         |                     | \$ (686,000,000)        |         | (686,000,000)           |
| Cash received as collateral for OTC derivatives |                     | (2,700,000)             |         | (2,700,000)             |
| <b>Total</b>                                    | <b>\$ 9,024,832</b> | <b>\$ (688,700,000)</b> |         | <b>\$ (679,675,168)</b> |

There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2014.

See Notes to Financial Statements.

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

## Consolidated Schedule of Investments (continued)

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 in determining fair value:

|                                                                                                                | Common<br>Stocks    | Asset-Backed<br>Securities | Corporate<br>Bonds  | Floating<br>Rate Loan<br>Interests | Other<br>Interests | Warrants        | Total                |
|----------------------------------------------------------------------------------------------------------------|---------------------|----------------------------|---------------------|------------------------------------|--------------------|-----------------|----------------------|
| <b>Assets:</b>                                                                                                 |                     |                            |                     |                                    |                    |                 |                      |
| Opening Balance, as of August 31, 2013                                                                         | \$7,608,130         | \$2,824,497                | \$3,673,915         | \$13,072,578                       | \$71               | \$66,028        | \$27,245,219         |
| Transfers into Level 3                                                                                         |                     |                            |                     | 3,826,057                          |                    |                 | 3,826,057            |
| Transfers out of Level 3                                                                                       | (343,980 )          | (2,251,497)                | (432,180 )          | (3,292,917 )                       |                    |                 | (6,320,574)          |
| Accrued discounts/premiums                                                                                     |                     | 2,358                      |                     | 219,251                            |                    |                 | 221,609              |
| Net realized gain (loss)                                                                                       |                     |                            | 50,754              | 153,082                            | 805                |                 | 204,641              |
| Net change in unrealized appreciation/depreciation <sup>1,2</sup>                                              | (13,959,210)        | 46,309                     | (8,752,650 )        | 1,258,140                          | 10,636             | (34,180)        | (21,430,985)         |
| Purchases                                                                                                      | 61,962,611          | 1,275,794                  | 16,862,253          | 41,372,344                         | 270                | 26,617          | 121,499,892          |
| Issues                                                                                                         |                     |                            | (1,147,332 )        | (3,211,829 )                       | (805 )             |                 | (4,359,966)          |
| <b>Ending Balance, as of February 28, 2014</b>                                                                 | <b>\$55,267,551</b> | <b>\$1,897,461</b>         | <b>\$10,254,760</b> | <b>\$53,396,706</b>                | <b>\$10,977</b>    | <b>\$58,465</b> | <b>\$120,885,910</b> |
| Net change in unrealized appreciation/depreciation on investments still held at February 28, 2014 <sup>2</sup> | \$(13,959,210)      | \$46,309                   | \$(8,712,662 )      | \$1,258,140                        | \$10,695           | \$(34,180)      | \$(21,390,960)       |

<sup>1</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statement of Operations.

Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at February 28, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

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

|                                                                   | Credit Contracts |
|-------------------------------------------------------------------|------------------|
| <b>Assets:</b>                                                    |                  |
| Opening Balance, as of August 31, 2013                            | \$ 607,499       |
| Transfers into Level 3                                            |                  |
| Transfers out of Level 3                                          |                  |
| Accrued discounts/premiums                                        |                  |
| Net realized gain (loss)                                          |                  |
| Net change in unrealized appreciation/depreciation <sup>3,4</sup> | 1,552,283        |
| Purchases                                                         |                  |
| Issues                                                            |                  |
| Sales                                                             |                  |

Settlements

**Closing Balance, as of February 28, 2014** \$2,159,782

Net change in unrealized appreciation/depreciation on derivative financial instruments still held at February 28, 2014<sup>4</sup> \$1,552,283

<sup>3</sup>Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statement of Operations.

<sup>4</sup>Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on derivative financial instruments still held at February 28, 2014 is generally due to derivative financial instruments no longer held or categorized as Level 3 at period end.

See Notes to Financial Statements.

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

## Consolidated Schedule of Investments (concluded)

The following table summarizes the valuation techniques used and unobservable inputs utilized by the BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) to determine the value of certain of the Trust's Level 3 investments as of February 28, 2014. The table does not include Level 3 investments with values based upon unadjusted third party pricing information in the amount of \$89,831,898. A significant change in such third party pricing information could result in a significantly lower or higher value of such Level 3 investments.

|                              | Value                                                     | Valuation Techniques        | Unobservable Inputs                                                                 | Range of Unobservable Inputs Utilized |
|------------------------------|-----------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------|---------------------------------------|
| <b>Assets:</b>               |                                                           |                             |                                                                                     |                                       |
| Common Stocks                | \$3,203,220                                               | Cost <sup>2</sup>           | N/A                                                                                 |                                       |
|                              | 10,845,649                                                | Market Comparable Companies | 2P (Proved and Probable) Reserves + 2C (Contingent) Resources Multiple <sup>3</sup> | CAD <sup>6</sup> 0.32x 0.51x          |
|                              | 6,096,789                                                 | Market Comparable Companies | PV-10 Multiple <sup>3,4</sup>                                                       | 0.13x 0.23x                           |
|                              |                                                           |                             | Offshore Last 12 Months EBITDA Multiple <sup>3</sup>                                | 6.50x                                 |
|                              | Offshore Current Fiscal Year EBITDA Multiple <sup>3</sup> | 6.88x                       |                                                                                     |                                       |
|                              | Onshore EBITDA Multiple <sup>3</sup>                      | 4.00x                       |                                                                                     |                                       |
|                              | Onshore Current Fiscal Year EBITDA Multiple <sup>3</sup>  | 3.88x                       |                                                                                     |                                       |
| Corporate Bonds <sup>1</sup> | 2,800,000                                                 | Cost <sup>2</sup>           | N/A                                                                                 |                                       |
|                              | 2,548,559                                                 | Par                         | Call Price <sup>3</sup>                                                             |                                       |
|                              | 4,906,200                                                 | Market Comparable Companies | Last 12 Months EBITDA Multiple <sup>3</sup>                                         | 10.50x                                |
| Warrants                     | 53,607                                                    | Black-Scholes               | Implied Volatility <sup>3</sup>                                                     | 62.28%                                |
|                              | 4,858                                                     | Estimated Recovery Value    | Distribution Rate <sup>5</sup>                                                      | \$0.0541                              |
| <b>Total</b>                 | <b>\$30,458,882</b>                                       |                             |                                                                                     |                                       |

For the period ended February 28, 2014, the valuation technique for certain investments classified as corporate bonds changed to utilizing par value. Market information previously utilized to determine fair value under the market approach no longer applied to this investment; therefore, the par value is considered to be a more relevant measure of fair value for this investment.

<sup>2</sup>The Trust fair values certain of its Level 3 investments using acquisition cost, although the transaction may not have occurred during the current reporting period. 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>3</sup> Increase in unobservable input may result in a significant increase to value, while a decrease in the unobservable input may result in a significant decrease to value.

<sup>4</sup> Present value of estimated future oil and gas revenues, net of estimated direct expenses discounted at an annual discount of 10%.

<sup>5</sup> Decrease in unobservable input may result in a significant increase to value, while an increase in the unobservable input may result in a significant decrease to value.

<sup>6</sup> Canadian Dollar.

See Notes to Financial Statements.

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

Schedule of Investments February 28, 2014 (Unaudited)

| <b>Common Stocks</b>               | <b>0.1%</b> | <b>Shares</b> | <b>Value</b> |
|------------------------------------|-------------|---------------|--------------|
| <b>Paper &amp; Forest Products</b> | <b>0.1%</b> |               |              |
| NewPage Holdings, Inc.             |             | 4,960         | \$ 411,680   |

| <b>Asset-Backed Securities</b>                                                       |     | <b>Par<br/>(000)</b> |             |
|--------------------------------------------------------------------------------------|-----|----------------------|-------------|
| <b>Asset-Backed Securities</b>                                                       |     |                      | <b>5.0%</b> |
| 321 Henderson Receivables I LLC, Series 2010-3A, Class A, 3.82%, 12/15/48 (a)        | USD | 628                  | 664,928     |
| ACAS CLO Ltd., Series 2013-1A, Class C, 2.99%, 4/20/25 (a)(b)                        |     | 500                  | 492,500     |
| AmeriCredit Automobile Receivables Trust, Series 2011-5, Class C, 3.44%, 10/08/17    |     | 400                  | 413,328     |
| Apidos CDO XI, Series 2012-11A, Class D, 4.49%, 1/17/23 (a)(b)                       |     | 600                  | 601,708     |
| Atrium CDO Corp., Series 9A, Class D, 3.73%, 2/28/24                                 |     | 750                  | 726,656     |
| Babson CLO Ltd., Series 2012-1X, Class B, 2.74%, 4/15/22 (b)                         |     | 500                  | 488,013     |
| Brookside Mill CLO Ltd., Series 2013-1A, Class C1, 2.94%, 4/17/25 (a)(b)             |     | 500                  | 491,141     |
| CarMax Auto Owner Trust, Series 2012-1: Class B, 1.76%, 8/15/17                      |     | 210                  | 214,446     |
| Class C, 2.20%, 10/16/17                                                             |     | 125                  | 128,674     |
| Class D, 3.09%, 8/15/18                                                              |     | 160                  | 164,504     |
| Cavalry CLO II, Series 2A, Class D, 4.24%, 1/17/24                                   |     | 765                  | 750,829     |
| CenterPoint Energy Transition Bond Co. LLC, Series 2012-1, Class A3, 3.03%, 10/15/25 |     | 1,105                | 1,090,045   |
| CIFC Funding Ltd. (a)(b): Series 2012-1A, Class B1L, 5.49%, 8/14/24                  |     | 750                  | 753,750     |
| Series 2013-1A, Class B, 3.05%, 4/16/25                                              |     | 500                  | 492,750     |
| Series 2013-1A, Class C, 3.84%, 4/16/25                                              |     | 500                  | 485,481     |
| Ford Credit Floorplan Master Owner Trust, Series 2012-2: Class B, 2.32%, 1/15/19     |     | 245                  | 251,613     |
| Class C, 2.86%, 1/15/19                                                              |     | 105                  | 109,435     |
| Class D, 3.50%, 1/15/19                                                              |     | 200                  | 211,410     |
| Galaxy XV CLO Ltd., Series 2013-15A, Class C, 2.84%, 4/15/25 (a)(b)                  |     | 500                  | 487,302     |
| ING IM CLO Ltd., Series 2012-2A, Class C, 3.69%, 10/15/22 (a)(b)                     |     | 750                  | 751,643     |
| Nelnet Student Loan Trust (b): Series 2006-1, Class A5, 0.35%, 8/23/27               |     | 525                  | 514,083     |
| Series 2008-3, Class A4, 1.88%, 11/25/24                                             |     | 620                  | 644,018     |
| OZLM Funding III Ltd., Series 2013-3A (a)(b):                                        |     |                      |             |

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|                                                                                             |     |         |
|---------------------------------------------------------------------------------------------|-----|---------|
| Class B, 3.34%, 1/22/25                                                                     | 750 | 745,617 |
| Class C, 4.14%, 1/22/25                                                                     | 500 | 490,496 |
| Santander Consumer Acquired Receivables Trust, Series 2011-WO, Class C, 3.19%, 10/15/15 (a) | 439 | 440,879 |
| Santander Drive Auto Receivables Trust: Series 2010-2, Class C, 3.89%, 7/17/17              | 880 | 892,896 |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)                                                 | 290 | 291,827 |
| Series 2011-1, Class D, 4.01%, 2/15/17                                                      | 940 | 974,682 |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)                                                | 67  | 67,514  |
| Series 2011-S2A, Class C, 2.86%, 6/15/17 (a)                                                | 141 | 141,191 |
| Series 2012-1, Class B, 2.72%, 5/16/16                                                      | 240 | 242,046 |
| Series 2012-1, Class C, 3.78%, 11/15/17                                                     | 325 | 335,509 |
| SLM Private Credit Student Loan Trust, Series 2004-B, Class A2, 0.44%, 6/15/21 (b)          | 132 | 130,080 |
| SLM Private Education Loan Trust, Series 2012-A, Class A1, 1.55%, 8/15/25 (a)(b)            | 225 | 227,866 |
| SLM Student Loan Trust: Series 2008-5, Class A3, 1.54%, 1/25/18 (b)                         | 525 | 529,293 |
| Series 2008-5, Class A4, 1.94%, 7/25/23 (b)                                                 | 630 | 656,968 |
| Series 2012-A, Class A2, 3.83%, 1/17/45 (a)                                                 | 345 | 365,128 |
| Series 2014-A, Class B, 3.50%, 11/15/44 (a)(c)                                              | 250 | 236,797 |

|                                                                                                     | Par<br>(000) | Value             |
|-----------------------------------------------------------------------------------------------------|--------------|-------------------|
| <b>Asset-Backed Securities</b>                                                                      |              |                   |
| <b>Asset-Backed Securities (concluded)</b>                                                          |              |                   |
| Small Business Administration Participation Certificates, Series 1996-20K, Class 1, 6.95%, 11/01/16 | 91           | \$ 94,800         |
| Symphony CLO VII Ltd., Series 2011-7A, Class E, 3.84%, 7/28/21 (a)(b)                               | 750          | 715,172           |
| World Financial Network Credit Card Master Trust, Series 2012-C, Class C, 4.55%, 8/15/22            | 1,180        | 1,241,478         |
|                                                                                                     |              | 19,748,496        |
| <b>Interest Only Asset-Backed Securities</b>                                                        |              |                   |
| <b>0.1%</b>                                                                                         |              |                   |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (a)                                  | 3,116        | 222,964           |
| Sterling Coofs Trust, Series 2004-1, Class A, 2.36%, 4/15/29 (a)                                    | 5,120        | 340,816           |
|                                                                                                     |              | 563,780           |
| <b>Total Asset-Backed Securities</b>                                                                | <b>5.1%</b>  | <b>20,312,276</b> |

**Corporate Bonds**

**Aerospace & Defense 0.6%**

|                                                     |       |           |
|-----------------------------------------------------|-------|-----------|
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21 | 230   | 255,875   |
| United Technologies Corp. (d): 4.88%, 5/01/15       | 1,250 | 1,312,847 |
| 6.13%, 7/15/38                                      | 750   | 942,599   |

|                                                                            |       |           |
|----------------------------------------------------------------------------|-------|-----------|
|                                                                            |       | 2,511,321 |
| <b>Airlines 1.9%</b>                                                       |       |           |
| American Airlines Pass-Through Trust, Series 2013-2 (a):                   |       |           |
| Class A, 4.95%, 7/15/24                                                    | 2,286 | 2,446,302 |
| Class B, 5.60%, 1/15/22                                                    | 507   | 526,979   |
| Continental Airlines Pass-Through Trust:                                   |       |           |
| Series 2010-1, Class B, 6.00%, 7/12/20                                     | 471   | 496,014   |
| Series 2012-3, Class C, 6.13%, 4/29/18                                     | 500   | 529,375   |
| United Airlines Pass-Through Trust, Series 2013-1, Class A, 4.30%, 2/15/27 | 2,000 | 2,052,000 |
| US Airways Pass-Through Trust, Series 2012-1, Class C, 9.13%, 10/01/15     | 1,308 | 1,386,019 |
|                                                                            |       | 7,436,689 |
| <b>Auto Components 1.0%</b>                                                |       |           |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. (a):                  |       |           |
| 3.50%, 3/15/17                                                             | 522   | 528,525   |
| 4.88%, 3/15/19                                                             | 900   | 918,000   |
| 6.00%, 8/01/20                                                             | 953   | 1,005,415 |
| 5.88%, 2/01/22                                                             | 667   | 680,340   |
| Jaguar Land Rover Automotive PLC, 4.13%, 12/15/18 (a)                      | 750   | 765,000   |
|                                                                            |       | 3,897,280 |
| <b>Auto Parts 0.0%</b>                                                     |       |           |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20             | 161   | 163,415   |
| <b>Automobiles 0.8%</b>                                                    |       |           |
| Ford Motor Co., 4.75%, 1/15/43                                             | 2,005 | 1,938,695 |
| General Motors Co., 6.25%, 10/02/43 (a)                                    | 1,253 | 1,387,697 |
|                                                                            |       | 3,326,392 |
| <b>Building Products 0.1%</b>                                              |       |           |
| Cemex SAB de CV, 5.88%, 3/25/19 (a)                                        | 200   | 206,000   |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20                     | 250   | 267,500   |
|                                                                            |       | 473,500   |

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

|                                                         |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---------------------------------------------------------|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                                  |     |                      |              |
| <b>Capital Markets 3.7%</b>                             |     |                      |              |
| CDP Financial, Inc., 5.60%, 11/25/39 (a)(d)             | USD | 2,955                | \$ 3,509,603 |
| The Goldman Sachs Group, Inc. (d):                      |     |                      |              |
| 5.38%, 3/15/20                                          |     | 1,215                | 1,368,630    |
| 5.25%, 7/27/21                                          |     | 3,175                | 3,536,296    |
| 5.75%, 1/24/22                                          |     | 1,815                | 2,072,725    |
| Lehman Brothers Holdings Inc., 6.50%, 7/19/17 (e)(f)    |     | 225                  |              |
| Morgan Stanley:                                         |     |                      |              |
| 4.20%, 11/20/14 (d)                                     |     | 680                  | 697,843      |
| 4.00%, 7/24/15                                          |     | 400                  | 417,236      |
| 6.25%, 8/28/17 (d)                                      |     | 1,925                | 2,220,083    |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (d)(g) |     | 820                  | 888,733      |
|                                                         |     |                      | 14,711,149   |
| <b>Chemicals 1.3%</b>                                   |     |                      |              |
| Axiall Corp., 4.88%, 5/15/23 (a)                        |     | 152                  | 150,100      |
| The Dow Chemical Co., 4.13%, 11/15/21                   |     | 350                  | 367,737      |
| Huntsman International LLC, 4.88%, 11/15/20             |     | 297                  | 302,569      |
| Methanex Corp., 3.25%, 12/15/19                         |     | 2,074                | 2,087,910    |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a)              |     | 240                  | 249,000      |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20       |     | 1,800                | 1,867,500    |
| US Coatings Acquisition, Inc./Axalta Coating Systems    |     |                      |              |
| Dutch Holding BV, 7.38%, 5/01/21 (a)                    |     | 151                  | 163,080      |
|                                                         |     |                      | 5,187,896    |
| <b>Commercial Banks 3.2%</b>                            |     |                      |              |
| CIT Group, Inc.:                                        |     |                      |              |
| 5.50%, 2/15/19 (a)                                      |     | 398                  | 432,825      |
| 5.38%, 5/15/20                                          |     | 1,650                | 1,782,000    |
| Depfa ACS Bank, 5.13%, 3/16/37 (a)                      |     | 4,150                | 3,693,500    |
| HSBC Bank Brasil SA - Banco Multiplo, 4.00%, 5/11/16    |     |                      |              |
| (a)(d)                                                  |     | 1,400                | 1,452,500    |
| HSBC Bank PLC, 3.10%, 5/24/16 (a)(d)                    |     | 695                  | 730,049      |
| HSBC Holdings PLC, 6.10%, 1/14/42 (d)                   |     | 305                  | 371,115      |
| Rabobank Nederland (d):                                 |     |                      |              |
| 3.88%, 2/08/22                                          |     | 1,390                | 1,436,472    |
| 3.95%, 11/09/22                                         |     | 1,500                | 1,486,874    |
| Wells Fargo & Co., 3.50%, 3/08/22 (d)                   |     | 1,390                | 1,423,197    |
|                                                         |     |                      | 12,808,532   |
| <b>Commercial Services &amp; Supplies 1.4%</b>          |     |                      |              |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20               |     | 245                  | 265,825      |
| The ADT Corp., 4.88%, 7/15/42                           |     | 539                  | 433,895      |
| Aviation Capital Group Corp. (a):                       |     |                      |              |
| 4.63%, 1/31/18                                          |     | 650                  | 677,249      |
| 7.13%, 10/15/20                                         |     | 900                  | 1,010,191    |
| Brand Energy & Infrastructure Services, Inc., 8.50%,    |     |                      |              |
| 12/01/21 (a)                                            |     | 214                  | 223,095      |

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|                                                                     |     |              |              |
|---------------------------------------------------------------------|-----|--------------|--------------|
| Mobile Mini, Inc., 7.88%, 12/01/20                                  |     | 1,320        | 1,475,100    |
| United Rentals North America, Inc.:                                 |     |              |              |
| 5.75%, 7/15/18                                                      |     | 194          | 208,065      |
| 7.38%, 5/15/20                                                      |     | 385          | 430,237      |
| 7.63%, 4/15/22                                                      |     | 455          | 516,994      |
| West Corp., 8.63%, 10/01/18                                         |     | 135          | 145,463      |
|                                                                     |     |              | 5,386,114    |
| <b>Communications Equipment 1.3%</b>                                |     |              |              |
| ADC Telecommunications, Inc., 3.50%, 7/15/15                        |     | 4,340        | 4,394,250    |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20                   |     | 530          | 584,325      |
|                                                                     |     |              | 4,978,575    |
| <b>Construction &amp; Engineering 0.1%</b>                          |     |              |              |
| ABB Finance USA, Inc., 4.38%, 5/08/42                               |     | 194          | 190,549      |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (a)                   |     | 96           | 101,400      |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (a)   |     | 200          | 212,500      |
|                                                                     |     |              | 504,449      |
|                                                                     |     |              |              |
|                                                                     |     | <b>Par</b>   | <b>Value</b> |
|                                                                     |     | <b>(000)</b> |              |
| <b>Corporate Bonds</b>                                              |     |              |              |
| <b>Construction Materials 1.0%</b>                                  |     |              |              |
| HD Supply, Inc.:                                                    |     |              |              |
| 8.13%, 4/15/19                                                      | USD | 1,954        | \$ 2,198,250 |
| 7.50%, 7/15/20                                                      |     | 1,544        | 1,690,680    |
| Lafarge SA, 7.13%, 7/15/36                                          |     | 135          | 142,425      |
|                                                                     |     |              | 4,031,355    |
| <b>Consumer Finance 0.9%</b>                                        |     |              |              |
| Discover Financial Services, 3.85%, 11/21/22                        |     | 250          | 246,528      |
| Ford Motor Credit Co. LLC:                                          |     |              |              |
| 6.63%, 8/15/17                                                      |     | 280          | 324,862      |
| 8.13%, 1/15/20                                                      |     | 1,265        | 1,602,315    |
| 4.25%, 9/20/22                                                      |     | 800          | 826,622      |
| SLM Corp., 6.25%, 1/25/16                                           |     | 651          | 703,080      |
|                                                                     |     |              | 3,703,407    |
| <b>Containers &amp; Packaging 0.5%</b>                              |     |              |              |
| Ardagh Packaging Finance PLC, 7.38%, 10/15/17 (a)                   | EUR | 425          | 625,492      |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | USD | 91           | 99,645       |
| Sealed Air Corp. (a):                                               |     |              |              |
| 6.50%, 12/01/20                                                     |     | 550          | 608,437      |
| 8.38%, 9/15/21                                                      |     | 225          | 259,594      |
| Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (a)                      |     | 410          | 431,525      |
|                                                                     |     |              | 2,024,693    |
| <b>Diversified Consumer Services 0.5%</b>                           |     |              |              |
| APX Group, Inc., 6.38%, 12/01/19                                    |     | 634          | 653,813      |
| Service Corp. International, 4.50%, 11/15/20                        |     | 1,240        | 1,215,200    |
|                                                                     |     |              | 1,869,013    |
| <b>Diversified Financial Services 7.5%</b>                          |     |              |              |
| Aircastle Ltd., 6.25%, 12/01/19                                     |     | 705          | 768,450      |
| Ally Financial, Inc.:                                               |     |              |              |
| 5.50%, 2/15/17                                                      |     | 1,500        | 1,638,750    |

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|                                                                   |       |            |
|-------------------------------------------------------------------|-------|------------|
| 6.25%, 12/01/17                                                   | 160   | 180,000    |
| 8.00%, 3/15/20                                                    | 560   | 693,000    |
| 8.00%, 11/01/31 (e)                                               | 300   | 378,000    |
| Bank of America Corp. (d):                                        |       |            |
| 5.63%, 7/01/20                                                    | 1,100 | 1,266,367  |
| 3.30%, 1/11/23                                                    | 5,010 | 4,874,510  |
| Capital One Financial Corp., 4.75%, 7/15/21                       | 975   | 1,068,017  |
| FMR LLC, 4.95%, 2/01/33 (a)(d)                                    | 1,150 | 1,197,972  |
| General Electric Capital Corp., 6.75%, 3/15/32 (d)                | 2,500 | 3,198,052  |
| General Motors Financial Co., Inc., 4.25%, 5/15/23                | 406   | 410,060    |
| IntercontinentalExchange Group, Inc., 4.00%, 10/15/23             | 235   | 244,901    |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%,<br>4/01/20 (a) | 500   | 528,750    |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%,<br>6/01/20 (a)   | 626   | 638,520    |
| JPMorgan Chase & Co., 6.30%, 4/23/19 (d)                          | 1,375 | 1,633,105  |
| JPMorgan Chase Bank NA, 6.00%, 10/01/17 (d)                       | 800   | 920,054    |
| Macquarie Bank Ltd., 10.25%, 6/20/57 (b)                          | 900   | 1,021,500  |
| Moody s Corp., 4.50%, 9/01/22                                     | 900   | 930,710    |
| Northern Trust Corp., 3.95%, 10/30/25 (d)                         | 4,000 | 4,059,652  |
| Reynolds Group Issuer, Inc.:                                      |       |            |
| 7.13%, 4/15/19                                                    | 200   | 212,750    |
| 7.88%, 8/15/19                                                    | 560   | 618,800    |
| 5.75%, 10/15/20                                                   | 1,000 | 1,045,000  |
| 6.88%, 2/15/21                                                    | 1,255 | 1,364,813  |
| WMG Acquisition Corp., 11.50%, 10/01/18                           | 562   | 639,275    |
|                                                                   |       | 29,531,008 |
| <b>Diversified Telecommunication Services 2.7%</b>                |       |            |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                       | 400   | 418,000    |
| Level 3 Financing, Inc.:                                          |       |            |
| 8.13%, 7/01/19                                                    | 671   | 738,100    |
| 8.63%, 7/15/20                                                    | 580   | 651,775    |
| See Notes to Financial Statements.                                |       |            |

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

Schedule of Investments (continued)

|                                                                  | <b>Par<br/>(000)</b> | <b>Value</b> |
|------------------------------------------------------------------|----------------------|--------------|
| <b>Corporate Bonds</b>                                           |                      |              |
| <b>Diversified Telecommunication Services (concluded)</b>        |                      |              |
| Verizon Communications, Inc. (d):                                |                      |              |
| 3.50%, 11/01/21                                                  | USD 500              | \$ 504,673   |
| 6.40%, 2/15/38                                                   | 3,396                | 3,972,807    |
| 6.55%, 9/15/43                                                   | 3,375                | 4,131,614    |
| Windstream Corp., 7.88%, 11/01/17                                | 200                  | 229,000      |
|                                                                  |                      | 10,645,969   |
| <b>Electric Utilities 5.9%</b>                                   |                      |              |
| The Cleveland Electric Illuminating Co.:                         |                      |              |
| 8.88%, 11/15/18                                                  | 121                  | 153,473      |
| 5.95%, 12/15/36                                                  | 217                  | 232,915      |
| CMS Energy Corp., 5.05%, 3/15/22                                 | 917                  | 1,023,187    |
| Duke Energy Carolinas LLC:                                       |                      |              |
| 6.10%, 6/01/37                                                   | 325                  | 392,199      |
| 6.00%, 1/15/38 (d)                                               | 850                  | 1,044,361    |
| 4.25%, 12/15/41 (d)                                              | 375                  | 371,566      |
| Duke Energy Florida, Inc., 6.40%, 6/15/38                        | 340                  | 441,612      |
| E.ON International Finance BV, 6.65%,<br>4/30/38 (a)(d)          | 1,575                | 1,986,066    |
| Electricite de France SA, 5.60%, 1/27/40<br>(a)(d)               | 1,400                | 1,526,206    |
| Florida Power Corp., 6.35%, 9/15/37 (d)                          | 1,450                | 1,870,246    |
| Georgia Power Co., 3.00%, 4/15/16 (d)                            | 800                  | 838,741      |
| Hydro Quebec (d):                                                |                      |              |
| 9.40%, 2/01/21                                                   | 390                  | 528,186      |
| Series HY, 8.40%, 1/15/22                                        | 730                  | 966,389      |
| Series IO, 8.05%, 7/07/24                                        | 1,900                | 2,610,482    |
| Jersey Central Power & Light Co., 7.35%,<br>2/01/19              | 245                  | 295,236      |
| Ohio Power Co., Series D, 6.60%, 3/01/33                         | 1,500                | 1,847,529    |
| PacifiCorp, 6.25%, 10/15/37 (d)                                  | 650                  | 820,264      |
| Public Service Co. of Colorado, Series 17,<br>6.25%, 9/01/37 (d) | 1,350                | 1,730,574    |
| Southern California Edison Co. (d):                              |                      |              |
| 5.63%, 2/01/36                                                   | 675                  | 788,732      |
| Series 08-A, 5.95%, 2/01/38                                      | 1,100                | 1,353,065    |
| Virginia Electric and Power Co., Series A,<br>6.00%, 5/15/37 (d) | 1,920                | 2,348,774    |
|                                                                  |                      | 23,169,803   |
| <b>Energy Equipment &amp; Services 2.7%</b>                      |                      |              |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)                         | 470                  | 491,150      |
| Ensco PLC:                                                       |                      |              |
| 3.25%, 3/15/16                                                   | 160                  | 167,520      |
| 4.70%, 3/15/21 (d)                                               | 1,745                | 1,878,943    |
| EOG Resources, Inc., 2.63%, 3/15/23 (d)                          | 1,898                | 1,794,382    |



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|                                                                |       |            |
|----------------------------------------------------------------|-------|------------|
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 | 71    | 72,953     |
| GrafTech International Ltd., 6.38%, 11/15/20                   | 580   | 595,950    |
| MEG Energy Corp., 6.50%, 3/15/21 (a)                           | 560   | 590,800    |
| Noble Holding International Ltd., 5.25%, 3/15/42               | 350   | 344,118    |
| Peabody Energy Corp.:<br>6.00%, 11/15/18                       | 1,256 | 1,359,620  |
| 6.25%, 11/15/21                                                | 1,244 | 1,284,430  |
| Seadrill Ltd., 5.63%, 9/15/17 (a)                              | 1,590 | 1,657,575  |
| Transocean, Inc., 6.50%, 11/15/20                              | 350   | 395,837    |
|                                                                |       | 10,633,278 |

**Food & Staples Retailing 0.1%**

|                                |     |         |
|--------------------------------|-----|---------|
| Rite Aid Corp., 6.75%, 6/15/21 | 279 | 306,900 |
|--------------------------------|-----|---------|

**Food Products 1.1%**

|                                                 |       |           |
|-------------------------------------------------|-------|-----------|
| Barry Callebaut Services NV, 5.50%, 6/15/23 (a) | 700   | 720,321   |
| Kraft Foods Group, Inc.:<br>5.38%, 2/10/20      | 1,570 | 1,795,769 |
| 5.00%, 6/04/42                                  | 997   | 1,039,201 |
| Pinnacle Foods Finance LLC, 4.88%, 5/01/21      | 224   | 218,120   |
| Smithfield Foods, Inc. (a):<br>5.25%, 8/01/18   | 328   | 343,990   |
| 5.88%, 8/01/21                                  | 169   | 174,070   |
|                                                 |       | 4,291,471 |

**Corporate Bonds**

**Gas Utilities 0.1%**

|                                                                             |     |     |            |
|-----------------------------------------------------------------------------|-----|-----|------------|
| Suburban Propane Partners LP/Suburban Energy Finance Corp., 7.50%, 10/01/18 | USD | 380 | \$ 404,700 |
|-----------------------------------------------------------------------------|-----|-----|------------|

**Health Care Equipment & Supplies 0.5%**

|                                          |       |           |
|------------------------------------------|-------|-----------|
| Boston Scientific Corp., 6.25%, 11/15/15 | 1,260 | 1,371,620 |
| Teleflex, Inc., 6.88%, 6/01/19           | 385   | 409,062   |
|                                          |       | 1,780,682 |

**Health Care Providers & Services 4.3%**

|                                                                                |       |           |         |
|--------------------------------------------------------------------------------|-------|-----------|---------|
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp.:<br>7.75%, 2/15/19 | 535   | 577,800   |         |
| 6.00%, 10/15/21                                                                | 204   | 212,670   |         |
| CHS/Community Health Systems, Inc.,<br>5.13%, 8/15/18                          | 400   | 423,500   |         |
| ConvaTec Healthcare E SA, 7.38%,<br>12/15/17 (a)                               | EUR   | 494       | 721,076 |
| HCA, Inc.:<br>8.50%, 4/15/19                                                   | USD   | 17        | 17,850  |
| 6.50%, 2/15/20                                                                 | 2,044 | 2,307,165 |         |
| 7.25%, 9/15/20                                                                 | 357   | 388,238   |         |
| 4.75%, 5/01/23                                                                 | 1,161 | 1,161,000 |         |
| Symbion, Inc., 8.00%, 6/15/16                                                  | 455   | 478,887   |         |

Par (000) Value

|                                                                                 |       |            |
|---------------------------------------------------------------------------------|-------|------------|
| Tenet Healthcare Corp.:                                                         |       |            |
| 6.25%, 11/01/18                                                                 | 750   | 830,625    |
| 6.00%, 10/01/20 (a)                                                             | 622   | 668,650    |
| 4.50%, 4/01/21                                                                  | 383   | 382,043    |
| 4.38%, 10/01/21                                                                 | 1,765 | 1,742,937  |
| 8.13%, 4/01/22                                                                  | 1,160 | 1,299,200  |
| UnitedHealth Group, Inc., 2.88%, 3/15/22                                        |       |            |
| (d)                                                                             | 2,000 | 1,947,356  |
| WellPoint, Inc., 4.65%, 1/15/43 (d)                                             | 3,995 | 3,891,641  |
|                                                                                 |       | 17,050,638 |
| <b>Hotels, Restaurants &amp; Leisure 3.4%</b>                                   |       |            |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort        |       |            |
| Property, 8.00%, 10/01/20 (a)                                                   | 2,120 | 2,255,150  |
| MCE Finance Ltd., 5.00%, 2/15/21 (a)                                            | 941   | 938,647    |
| PNK Finance Corp., 6.38%, 8/01/21 (a)                                           | 274   | 286,330    |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (a)                               | 859   | 869,738    |
| The Unique Pub Finance Co. PLC:                                                 |       |            |
| Series A3, 6.54%, 3/30/21                                                       | GBP   | 1,851      |
| Series A4, 5.66%, 6/30/27                                                       |       | 639        |
| Series M, 7.40%, 3/28/24                                                        |       | 1,500      |
| Series N, 6.46%, 3/30/32                                                        |       | 1,195      |
| Wynn Macau Ltd., 5.25%, 10/15/21 (a)                                            | USD   | 416        |
|                                                                                 |       | 13,440,451 |
| <b>Household Durables 0.1%</b>                                                  |       |            |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (a) |       |            |
|                                                                                 | 374   | 370,260    |
| <b>Household Products 0.1%</b>                                                  |       |            |
| Spectrum Brands, Inc.:                                                          |       |            |
| 6.38%, 11/15/20                                                                 | 200   | 218,000    |
| 6.63%, 11/15/22                                                                 | 275   | 299,750    |
|                                                                                 |       | 517,750    |
| <b>Independent Power Producers &amp; Energy Traders 0.0%</b>                    |       |            |
| Calpine Corp., 6.00%, 1/15/22 (a)                                               | 137   | 145,220    |
| <b>Industrial Conglomerates 0.1%</b>                                            |       |            |
| Smiths Group PLC, 3.63%, 10/12/22 (a)                                           | 180   | 171,708    |
| <b>Insurance 4.9%</b>                                                           |       |            |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (a)          |       |            |
|                                                                                 | 608   | 646,000    |
| American International Group, Inc. (d):                                         |       |            |
| 3.80%, 3/22/17                                                                  | 5,580 | 5,994,421  |
| 5.45%, 5/18/17                                                                  | 800   | 899,887    |
| AXA SA, 5.25%, 4/16/40 (b)                                                      | EUR   | 250        |
| Five Corners Funding Trust, 4.42%, 11/15/23 (a)                                 | USD   | 1,025      |
|                                                                                 |       | 1,045,951  |
| See Notes to Financial Statements.                                              |       |            |

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

## Schedule of Investments (continued)

|                                                                      |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|----------------------------------------------------------------------|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                                               |     |                      |              |
| <b>Insurance (concluded)</b>                                         |     |                      |              |
| Hartford Financial Services Group, Inc.:                             |     |                      |              |
| 6.00%, 1/15/19                                                       | USD | 345                  | \$ 403,698   |
| 5.13%, 4/15/22                                                       |     | 930                  | 1,038,659    |
| Liberty Mutual Group, Inc., 6.50%, 5/01/42 (a)                       |     | 1,000                | 1,168,444    |
| Lincoln National Corp., 6.25%, 2/15/20                               |     | 630                  | 739,147      |
| Manulife Financial Corp., 3.40%, 9/17/15 (d)                         |     | 1,625                | 1,690,135    |
| MetLife Global Funding I, 5.13%, 6/10/14 (a)(d)                      |     | 775                  | 785,014      |
| Montpelier Re Holdings Ltd., 4.70%, 10/15/22                         |     | 450                  | 452,828      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)                    |     | 340                  | 362,950      |
| Muenchener Rueckversicherungs AG, 6.00%, 5/26/41<br>(b)              | EUR | 200                  | 325,963      |
| Prudential Financial, Inc. (d):                                      |     |                      |              |
| 4.75%, 9/17/15                                                       | USD | 1,220                | 1,294,926    |
| 7.38%, 6/15/19                                                       |     | 300                  | 373,192      |
| 5.38%, 6/21/20                                                       |     | 250                  | 286,878      |
| 4.50%, 11/15/20                                                      |     | 400                  | 438,886      |
| 5.70%, 12/14/36                                                      |     | 950                  | 1,076,630    |
|                                                                      |     |                      | 19,404,721   |
| <b>Internet Software &amp; Services 0.1%</b>                         |     |                      |              |
| Equinix, Inc., 4.88%, 4/01/20                                        |     | 87                   | 88,414       |
| VeriSign, Inc., 4.63%, 5/01/23                                       |     | 345                  | 336,375      |
|                                                                      |     |                      | 424,789      |
| <b>IT Services 0.5%</b>                                              |     |                      |              |
| First Data Corp. (a):                                                |     |                      |              |
| 7.38%, 6/15/19                                                       |     | 205                  | 222,169      |
| 8.88%, 8/15/20                                                       |     | 1,000                | 1,112,500    |
| 6.75%, 11/01/20                                                      |     | 680                  | 734,400      |
|                                                                      |     |                      | 2,069,069    |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                       |     |                      |              |
| Agilent Technologies, Inc., 3.20%, 10/01/22                          |     | 250                  | 237,873      |
| <b>Machinery 0.1%</b>                                                |     |                      |              |
| Allegion US Holding Co., Inc., 5.75%, 10/01/21 (a)                   |     | 448                  | 467,600      |
| <b>Marine 0.3%</b>                                                   |     |                      |              |
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)(d)                      |     | 1,100                | 1,181,125    |
| <b>Media 6.4%</b>                                                    |     |                      |              |
| AMC Networks, Inc.:                                                  |     |                      |              |
| 7.75%, 7/15/21                                                       |     | 320                  | 363,200      |
| 4.75%, 12/15/22                                                      |     | 343                  | 344,715      |
| Cinemark USA, Inc., 5.13%, 12/15/22                                  |     | 175                  | 175,875      |
| Clear Channel Communications, Inc., 9.00%, 12/15/19                  |     | 306                  | 321,300      |
| Clear Channel Worldwide Holdings, Inc., Series B,<br>6.50%, 11/15/22 |     | 2,485                | 2,641,492    |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22 (d)  |     | 2,000                | 2,847,024    |

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|                                                                                         |       |           |
|-----------------------------------------------------------------------------------------|-------|-----------|
| COX Communications, Inc. (a):                                                           |       |           |
| 6.95%, 6/01/38                                                                          | 1,000 | 1,115,401 |
| 8.38%, 3/01/39                                                                          | 1,735 | 2,214,839 |
| DIRECTV Holdings LLC/DIRECTV Financing Co., Inc.:                                       |       |           |
| 6.38%, 3/01/41                                                                          | 260   | 282,271   |
| 5.15%, 3/15/42                                                                          | 2,100 | 1,979,393 |
| Gray Television, Inc., 7.50%, 10/01/20                                                  | 334   | 364,060   |
| Intelsat Jackson Holdings SA, 5.50%, 8/01/23 (a)                                        | 700   | 692,125   |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (a)                                     | 109   | 119,628   |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (a) | 345   | 359,662   |
| NBCUniversal Media LLC (d):                                                             |       |           |
| 5.15%, 4/30/20                                                                          | 1,974 | 2,257,034 |
| 4.38%, 4/01/21                                                                          | 1,015 | 1,102,640 |
| Omnicom Group, Inc., 3.63%, 5/01/22 (d)                                                 | 2,355 | 2,349,136 |
| Sirius XM Holdings, Inc., 4.25%, 5/15/20 (a)                                            | 334   | 326,485   |
| Time Warner, Inc.:                                                                      |       |           |
| 4.70%, 1/15/21                                                                          | 1,000 | 1,090,418 |
| 6.10%, 7/15/40                                                                          | 615   | 703,912   |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (a)                 | 250   | 258,750   |

|                                                             |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------------------------------|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                                      |     |                      |              |
| <b>Media (concluded)</b>                                    |     |                      |              |
| Univision Communications, Inc., 5.13%, 5/15/23 (a)          | USD | 1,153                | \$ 1,181,825 |
| Virgin Media Secured Finance PLC:                           |     |                      |              |
| 6.50%, 1/15/18                                              |     | 330                  | 341,963      |
| 7.00%, 1/15/18                                              | GBP | 792                  | 1,377,636    |
| 5.38%, 4/15/21 (a)                                          | USD | 395                  | 406,850      |
|                                                             |     |                      | 25,217,634   |
| <b>Metals &amp; Mining 4.1%</b>                             |     |                      |              |
| Alcoa, Inc., 5.40%, 4/15/21                                 |     | 1,450                | 1,526,783    |
| ArcelorMittal:                                              |     |                      |              |
| 9.50%, 2/15/15                                              |     | 252                  | 270,270      |
| 4.25%, 2/25/15                                              |     | 174                  | 178,133      |
| 4.25%, 8/05/15                                              |     | 174                  | 179,438      |
| 5.00%, 2/25/17                                              |     | 215                  | 229,781      |
| 6.13%, 6/01/18                                              |     | 314                  | 345,400      |
| Commercial Metals Co., 4.88%, 5/15/23                       |     | 561                  | 539,962      |
| Corp. Nacional del Cobre de Chile, 3.00%, 7/17/22 (a)(d)    |     | 1,566                | 1,465,087    |
| FMG Resources August 2006 Property Ltd., 6.00%, 4/01/17 (a) |     | 405                  | 427,275      |
| Freeport-McMoRan Copper & Gold, Inc.:                       |     |                      |              |
| 3.55%, 3/01/22                                              |     | 540                  | 520,650      |
| 5.45%, 3/15/43                                              |     | 450                  | 444,401      |
| New Gold, Inc., 6.25%, 11/15/22 (a)                         |     | 435                  | 435,000      |
| Newcrest Finance Property Ltd., 4.45%, 11/15/21 (a)         |     | 475                  | 427,125      |
| Novelis, Inc., 8.75%, 12/15/20 (d)                          |     | 4,105                | 4,618,125    |
| Teck Resources Ltd., 5.38%, 10/01/15                        |     | 2,350                | 2,509,760    |

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|                                                                         |       |            |
|-------------------------------------------------------------------------|-------|------------|
| Wise Metals Group LLC/Wise Alloys Finance Corp.,<br>8.75%, 12/15/18 (a) | 598   | 645,840    |
| Xstrata Canada Corp., 6.20%, 6/15/35                                    | 1,550 | 1,595,015  |
|                                                                         |       | 16,358,045 |
| <b>Multiline Retail 0.8%</b>                                            |       |            |
| Dollar General Corp., 3.25%, 4/15/23                                    | 2,000 | 1,877,578  |
| Dufry Finance SCA, 5.50%, 10/15/20 (a)                                  | 1,260 | 1,291,500  |
|                                                                         |       | 3,169,078  |
| <b>Oil, Gas &amp; Consumable Fuels 10.2%</b>                            |       |            |
| Access Midstream Partners LP/ACMP Finance Corp.,<br>6.13%, 7/15/22      | 400   | 434,000    |
| Anadarko Petroleum Corp., 5.95%, 9/15/16                                | 1,916 | 2,140,122  |
| Antero Resources Finance Corp., 5.38%, 11/01/21 (a)                     | 153   | 156,443    |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%,<br>4/15/21 (a)          | 159   | 168,540    |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21                              | 99    | 106,425    |
| BP Capital Markets PLC, 3.13%, 10/01/15                                 | 330   | 343,467    |
| Burlington Resources Finance Co., 7.40%, 12/01/31<br>(d)                | 950   | 1,303,156  |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20                                 | 400   | 440,000    |
| Cenovus Energy, Inc., 6.75%, 11/15/39                                   | 750   | 936,535    |
| Chesapeake Energy Corp., 5.75%, 3/15/23                                 | 615   | 661,125    |
| ConocoPhillips Canada Funding Co., 5.95%, 10/15/36                      | 150   | 182,678    |
| CONSOL Energy, Inc.:<br>8.00%, 4/01/17                                  | 514   | 536,487    |
| 8.25%, 4/01/20                                                          | 166   | 180,525    |
| Continental Resources, Inc.:<br>5.00%, 9/15/22 (d)                      | 2,000 | 2,095,000  |
| 4.50%, 4/15/23                                                          | 114   | 118,045    |
| Denbury Resources, Inc., 4.63%, 7/15/23                                 | 627   | 590,947    |
| El Paso LLC, 7.80%, 8/01/31                                             | 45    | 47,713     |
| El Paso Natural Gas Co., 8.38%, 6/15/32                                 | 275   | 371,608    |
| Energy Transfer Partners LP, 7.50%, 7/01/38                             | 500   | 611,026    |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                            | 455   | 497,087    |
| Enterprise Products Operating LLC, 6.13%, 10/15/39                      | 700   | 808,920    |
| See Notes to Financial Statements.                                      |       |            |

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

Schedule of Investments (continued)

|                                                                                      | <b>Par<br/>(000)</b> | <b>Value</b> |
|--------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Corporate Bonds</b>                                                               |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels</b>                                               |                      |              |
| <b>(concluded)</b>                                                                   |                      |              |
| KeySpan Gas East Corp., 5.82%, 4/01/41<br>(a)(d)                                     | USD 505              | \$ 596,536   |
| Kinder Morgan Energy Partners LP:<br>6.50%, 9/01/39                                  | 3,000                | 3,378,939    |
| 6.55%, 9/15/40                                                                       | 110                  | 125,405      |
| 6.38%, 3/01/41                                                                       | 160                  | 178,198      |
| Kinder Morgan, Inc., 5.63%, 11/15/23 (a)                                             | 170                  | 170,886      |
| Kodiak Oil & Gas Corp.:<br>8.13%, 12/01/19                                           | 110                  | 122,375      |
| 5.50%, 2/01/22                                                                       | 106                  | 108,915      |
| Linn Energy LLC/Linn Energy Finance<br>Corp., 7.00%, 11/01/19 (a)                    | 237                  | 247,073      |
| Marathon Petroleum Corp., 6.50%, 3/01/41                                             | 1,052                | 1,270,551    |
| MarkWest Energy Partners LP/MarkWest<br>Energy Finance Corp.:<br>6.25%, 6/15/22      | 33                   | 35,640       |
| 4.50%, 7/15/23                                                                       | 10                   | 9,688        |
| Memorial Production Partners LP/Memorial<br>Production Finance Corp., 7.63%, 5/01/21 | 212                  | 223,660      |
| MidAmerican Energy Co., 5.80%, 10/15/36<br>(d)                                       | 800                  | 961,143      |
| MidAmerican Energy Holdings Co.:<br>5.95%, 5/15/37                                   | 950                  | 1,111,136    |
| 6.50%, 9/15/37                                                                       | 2,115                | 2,640,662    |
| Nexen, Inc.:<br>6.40%, 5/15/37                                                       | 400                  | 468,010      |
| 7.50%, 7/30/39                                                                       | 670                  | 880,513      |
| Oasis Petroleum, Inc., 6.88%, 3/15/22 (a)                                            | 202                  | 219,170      |
| Pacific Drilling SA, 5.38%, 6/01/20 (a)                                              | 370                  | 374,625      |
| PBF Holding Co. LLC/PBF Finance Corp.,<br>8.25%, 2/15/20                             | 47                   | 51,583       |
| PDC Energy, Inc., 7.75%, 10/15/22                                                    | 260                  | 284,050      |
| Petrobras International Finance Co.:<br>3.88%, 1/27/16                               | 1,335                | 1,371,712    |
| 5.75%, 1/20/20                                                                       | 1,760                | 1,831,669    |
| Pioneer Natural Resources Co., 3.95%,<br>7/15/22                                     | 350                  | 358,300      |
| Premier Oil PLC, 5.00%, 6/09/18                                                      | 1,900                | 1,976,000    |
| Range Resources Corp.:<br>5.75%, 6/01/21                                             | 106                  | 113,950      |
| 5.00%, 8/15/22                                                                       | 27                   | 27,810       |
| 5.00%, 3/15/23                                                                       | 63                   | 64,103       |
|                                                                                      | 249                  | 232,815      |

|                                                                                  |       |            |
|----------------------------------------------------------------------------------|-------|------------|
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23         |       |            |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (a)           | 118   | 126,850    |
| Rosetta Resources, Inc., 5.63%, 5/01/21                                          | 239   | 246,170    |
| Sabine Pass Liquefaction LLC (a):                                                |       |            |
| 5.88%, 2/01/21                                                                   | 1,791 | 1,835,775  |
| 6.25%, 3/15/22                                                                   | 398   | 411,930    |
| 5.63%, 4/15/23                                                                   | 469   | 460,792    |
| SandRidge Energy, Inc.:                                                          |       |            |
| 8.75%, 1/15/20                                                                   | 23    | 24,898     |
| 7.50%, 2/15/23                                                                   | 238   | 251,090    |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (a) | 388   | 411,280    |
| Western Gas Partners LP, 5.38%, 6/01/21                                          | 715   | 771,699    |
| Whiting Petroleum Corp., 5.00%, 3/15/19                                          | 821   | 868,207    |
| The Williams Cos., Inc., Series A, 7.50%, 1/15/31                                | 2,500 | 2,703,510  |
|                                                                                  |       | 40,277,167 |
| <b>Paper &amp; Forest Products 0.5%</b>                                          |       |            |
| Clearwater Paper Corp., 7.13%, 11/01/18                                          | 1,000 | 1,065,000  |
| International Paper Co.:                                                         |       |            |
| 7.50%, 8/15/21                                                                   | 75    | 94,734     |
| 4.75%, 2/15/22                                                                   | 420   | 455,447    |
| 6.00%, 11/15/41                                                                  | 435   | 504,517    |
| NewPage Corp., 11.38%, 12/31/14 (e)(f)                                           | 1,144 |            |
|                                                                                  |       | 2,119,698  |

|                                                                    | <b>Par<br/>(000)</b> | <b>Value</b> |
|--------------------------------------------------------------------|----------------------|--------------|
| <b>Corporate Bonds</b>                                             |                      |              |
| <b>Pharmaceuticals 1.1%</b>                                        |                      |              |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)                       | EUR                  | 200          |
|                                                                    |                      | \$ 303,694   |
| Forest Laboratories, Inc. (a):                                     |                      |              |
| 4.38%, 2/01/19                                                     | USD                  | 228          |
| 5.00%, 12/15/21                                                    |                      | 243,960      |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (a) |                      | 379          |
|                                                                    |                      | 405,530      |
| Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (a)                     |                      | 520          |
|                                                                    |                      | 582,400      |
| Valeant Pharmaceuticals International, Inc. (a):                   |                      |              |
| 6.75%, 8/15/18                                                     |                      | 162          |
|                                                                    |                      | 173,340      |
| 6.38%, 10/15/20                                                    |                      | 1,322        |
|                                                                    |                      | 1,457,505    |
| 5.63%, 12/01/21                                                    |                      | 575          |
|                                                                    |                      | 628,187      |
|                                                                    |                      | 378          |
|                                                                    |                      | 401,153      |
|                                                                    |                      | 4,195,769    |
| <b>Real Estate Investment Trusts (REITs)</b>                       |                      |              |
| <b>0.7%</b>                                                        |                      |              |
| Felcor Lodging LP, 5.63%, 3/01/23                                  |                      | 247          |
|                                                                    |                      | 248,235      |
|                                                                    |                      | 835          |
|                                                                    |                      | 862,855      |

|                                                                          |       |           |
|--------------------------------------------------------------------------|-------|-----------|
| Simon Property Group LP, 4.75%, 3/15/42<br>(d)                           |       |           |
| Ventas Realty LP/Ventas Capital Corp.,<br>4.75%, 6/01/21                 | 275   | 295,968   |
| Vornado Realty LP, 5.00%, 1/15/22                                        | 1,190 | 1,272,839 |
|                                                                          |       | 2,679,897 |
| <b>Real Estate Management &amp; Development</b><br><b>0.6%</b>           |       |           |
| Lennar Corp., 4.75%, 11/15/22                                            | 440   | 420,200   |
| Realogy Corp. (a)(d):<br>7.88%, 2/15/19                                  | 369   | 400,365   |
| 7.63%, 1/15/20                                                           | 520   | 583,700   |
| The Realogy Group LLC/Sunshine Group<br>Florida Ltd., 3.38%, 5/01/16 (a) | 477   | 481,770   |
| WEA Finance LLC, 4.63%, 5/10/21 (a)                                      | 305   | 331,447   |
|                                                                          |       | 2,217,482 |
| <b>Road &amp; Rail 0.9%</b>                                              |       |           |
| Burlington Northern Santa Fe LLC, 5.75%,<br>5/01/40                      | 940   | 1,081,949 |
| The Hertz Corp.:<br>4.25%, 4/01/18                                       | 237   | 244,703   |
| 5.88%, 10/15/20                                                          | 230   | 243,800   |
| 7.38%, 1/15/21                                                           | 1,450 | 1,595,000 |
| 6.25%, 10/15/22                                                          | 385   | 407,137   |
|                                                                          |       | 3,572,589 |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>                 |       |           |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21<br>(a)                            | 470   | 500,550   |
| <b>Software 0.7%</b>                                                     |       |           |
| Activision Blizzard, Inc. (a):<br>5.63%, 9/15/21                         | 538   | 578,350   |
| 6.13%, 9/15/23                                                           | 188   | 203,980   |
| Nuance Communications, Inc., 5.38%,<br>8/15/20 (a)                       | 1,085 | 1,087,712 |
| Oracle Corp., 5.38%, 7/15/40 (d)                                         | 800   | 902,497   |
|                                                                          |       | 2,772,539 |
| <b>Specialty Retail 0.6%</b>                                             |       |           |
| The Home Depot, Inc., 5.88%, 12/16/36 (d)                                | 830   | 1,002,708 |
| QVC, Inc. (a):<br>7.50%, 10/01/19                                        | 395   | 422,577   |
| 7.38%, 10/15/20                                                          | 975   | 1,056,440 |
|                                                                          |       | 2,481,725 |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>                         |       |           |
| PVH Corp., 4.50%, 12/15/22                                               | 487   | 479,695   |
| SIWF Merger Sub, Inc., 6.25%, 6/01/21 (a)                                | 404   | 414,100   |
| The William Carter Co., 5.25%, 8/15/21 (a)                               | 329   | 337,225   |
|                                                                          |       | 1,231,020 |
| <b>Thriffs &amp; Mortgage Finance 0.4%</b>                               |       |           |
| Radian Group, Inc., 5.38%, 6/15/15                                       | 1,400 | 1,442,000 |
| <b>Tobacco 1.2%</b>                                                      |       |           |
| Altria Group, Inc.:                                                      |       |           |



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|                    |       |           |
|--------------------|-------|-----------|
| 9.95%, 11/10/38    | 258   | 409,215   |
| 10.20%, 2/06/39    | 447   | 726,926   |
| 5.38%, 1/31/44 (d) | 2,015 | 2,103,188 |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|                                                                                                                                       | <b>Par<br/>(000)</b> | <b>Value</b>       |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------|
| <b>Corporate Bonds</b>                                                                                                                |                      |                    |
| <b>Tobacco (concluded)</b>                                                                                                            |                      |                    |
| Lorillard Tobacco Co., 7.00%, 8/04/41                                                                                                 | USD 500              | \$ 564,870         |
| Reynolds American, Inc., 4.75%, 11/01/42                                                                                              | 1,050                | 986,403            |
|                                                                                                                                       |                      | 4,790,602          |
| <b>Wireless Telecommunication Services</b>                                                                                            |                      |                    |
| <b>2.5%</b>                                                                                                                           |                      |                    |
| America Movil SAB de CV, 2.38%, 9/08/16                                                                                               | 800                  | 826,400            |
| Crown Castle International Corp., 5.25%,<br>1/15/23                                                                                   | 465                  | 476,625            |
| Crown Castle Towers LLC, 6.11%, 1/15/40<br>(a)                                                                                        | 1,595                | 1,834,253          |
| Digicel Group Ltd., 8.25%, 9/30/20 (a)                                                                                                | 405                  | 428,288            |
| Digicel Ltd., 6.00%, 4/15/21 (a)                                                                                                      | 800                  | 804,000            |
| Rogers Communications, Inc., 7.50%,<br>8/15/38                                                                                        | 1,175                | 1,519,833          |
| SBA Tower Trust, 5.10%, 4/15/42 (a)                                                                                                   | 360                  | 389,724            |
| Softbank Corp., 4.50%, 4/15/20 (a)                                                                                                    | 550                  | 553,437            |
| Sprint Capital Corp., 8.75%, 3/15/32                                                                                                  | 350                  | 392,875            |
| Sprint Communications, Inc. (a):                                                                                                      |                      |                    |
| 9.00%, 11/15/18                                                                                                                       | 530                  | 649,250            |
| 7.00%, 3/01/20                                                                                                                        | 872                  | 1,007,160          |
| Sprint Corp., 7.88%, 9/15/23 (a)                                                                                                      | 850                  | 941,375            |
|                                                                                                                                       |                      | 9,823,220          |
| <b>Total Corporate Bonds 84.0%</b>                                                                                                    |                      | <b>332,107,810</b> |
| <hr/>                                                                                                                                 |                      |                    |
| <b>Foreign Agency Obligations</b>                                                                                                     |                      |                    |
| Iceland Government International Bond,<br>5.88%, 5/11/22                                                                              | 1,780                | 1,902,375          |
| Italian Republic, 5.38%, 6/15/33                                                                                                      | 470                  | 512,272            |
| Slovenia Government International Bond:<br>4.38%, 4/02/14                                                                             | EUR 1,600            | 2,214,488          |
| 4.13%, 2/18/19 (a)                                                                                                                    | USD 375              | 385,312            |
| 5.85%, 5/10/23 (a)                                                                                                                    | 432                  | 464,400            |
| <b>Total Foreign Agency Obligations 1.4%</b>                                                                                          |                      | <b>5,478,847</b>   |
| <hr/>                                                                                                                                 |                      |                    |
| <b>Municipal Bonds</b>                                                                                                                |                      |                    |
| City of Detroit Michigan, GO, Taxable<br>Capital Improvement, Limited Tax, Series<br>A-2, 8.00%, 4/01/14 (e)(f)                       | 1,525                | 457,500            |
| City of New York New York Municipal Water<br>Finance Authority, Refunding RB, 2nd<br>General Resolution:<br>Series EE, 5.50%, 6/15/43 | 465                  | 507,282            |
|                                                                                                                                       | 690                  | 824,350            |

|                                                                                                                                     |     |              |              |
|-------------------------------------------------------------------------------------------------------------------------------------|-----|--------------|--------------|
| Series GG, Build America Bonds, 5.72%,<br>6/15/42                                                                                   |     |              |              |
| Water & Sewer System, Fiscal 2011, Series<br>EE, 5.38%, 6/15/43                                                                     |     | 385          | 416,924      |
| East Bay Municipal Utility District, RB, Build<br>America Bonds, 5.87%, 6/01/40                                                     |     | 950          | 1,156,568    |
| Indianapolis Local Public Improvement Bond<br>Bank, RB, Build America Bonds, 6.12%,<br>1/15/40                                      |     | 1,260        | 1,530,371    |
| Metropolitan Transportation Authority, RB,<br>Build America Bonds, Series C, 7.34%,<br>11/15/39                                     |     | 670          | 937,672      |
| Municipal Electric Authority of Georgia Plant<br>Vogtle Units 3 & 4, Refunding RB, Build<br>America Bonds, Series A, 7.06%, 4/01/57 |     | 1,000        | 1,064,610    |
| New York State Dormitory Authority, RB,<br>Build America Bonds:<br>5.63%, 3/15/39                                                   |     | 550          | 633,397      |
| 5.60%, 3/15/40                                                                                                                      |     | 950          | 1,102,750    |
| Port Authority of New York & New Jersey,<br>RB, Consolidated, 159th Series, 6.04%,<br>12/01/29                                      |     | 395          | 475,706      |
| State of California, GO, Build America<br>Bonds, Various Purpose:<br>7.55%, 4/01/39                                                 |     | 140          | 195,026      |
| 7.63%, 3/01/40                                                                                                                      |     | 860          | 1,196,045    |
| State of Illinois, GO, Pension, 5.10%,<br>6/01/33                                                                                   |     | 1,000        | 984,140      |
|                                                                                                                                     |     | <b>Par</b>   |              |
|                                                                                                                                     |     | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                                                              |     |              |              |
| University of California, RB, Build America<br>Bonds, 5.95%, 5/15/45                                                                | USD | 440          | \$ 526,016   |
| <b>Total Municipal Bonds 3.0%</b>                                                                                                   |     |              | 12,008,357   |

**Non-Agency Mortgage-Backed Securities  
Collateralized Mortgage Obligations  
1.6%**

|                                                                                                         |  |       |           |
|---------------------------------------------------------------------------------------------------------|--|-------|-----------|
| Banc of America Funding Corp., Series<br>2007-2, Class 1A2, 6.00%, 3/25/37                              |  | 736   | 624,302   |
| Collateralized Mortgage Obligation Trust,<br>Series 40, Class R, 0.58%, 4/01/18                         |  | 20    | 20        |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35                 |  | 1,192 | 1,109,879 |
| Series 2006-OA21, Class A1, 0.34%,<br>3/20/47 (b)                                                       |  | 756   | 583,754   |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust, Series 2006-OA5,<br>Class 2A1, 0.36%, 4/25/46 (b) |  | 300   | 236,773   |
| Credit Suisse Mortgage Capital Certificates,                                                            |  | 1,009 | 1,001,607 |

Series 2011-2R, Class 2A1, 2.61%, 7/27/36  
(a)(b)

|                                                                                        |     |           |
|----------------------------------------------------------------------------------------|-----|-----------|
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3, Class 5A1, 5.06%, 6/19/35 (b)         | 707 | 711,303   |
| Homebanc Mortgage Trust, Series 2006-2, Class A1, 0.34%, 12/25/36 (b)                  | 497 | 430,184   |
| Merrill Lynch Mortgage Investors, Inc., Series 2006-A3, Class 3A1, 2.78%, 5/25/36 (b)  | 568 | 476,351   |
| Residential Funding Securities LLC, Series 2003-RM2, Class A15, 8.50%, 5/25/33         | 769 | 823,694   |
| WaMu Mortgage Pass-Through Certificates, Series 2007-OA4, Class 1A, 0.91%, 5/25/47 (b) | 320 | 279,278   |
|                                                                                        |     | 6,277,145 |

**Commercial Mortgage-Backed Securities**  
**13.9%**

Banc of America Merrill Lynch Commercial Mortgage Trust:

|                                                                                               |        |           |
|-----------------------------------------------------------------------------------------------|--------|-----------|
| Series 2006-6, Class A2, 5.31%, 10/10/45                                                      | 158    | 158,436   |
| Series 2007-1, Class A4, 5.45%, 1/15/49                                                       | 500    | 540,428   |
| Series 2007-2, Class A4, 5.60%, 4/10/49 (b)                                                   | 750    | 834,683   |
| Bear Stearns Commercial Mortgage Securities, Series 2005-PWR9, Class A4A, 4.87%, 9/11/42      | 800    | 836,736   |
| Citigroup Commercial Mortgage Trust (b):                                                      |        |           |
| Series 2008-C7, Class A4, 6.13%, 12/10/49                                                     | 1,200  | 1,369,962 |
| Series 2013-GC15, Class B, 5.11%, 9/10/46                                                     | 3,593  | 3,816,097 |
| Series 2013-GC15, Class XA, 1.30%, 9/10/46                                                    | 13,270 | 977,665   |
| Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2006-CD3, Class AM, 5.65%, 10/15/48 | 1,100  | 1,211,016 |
| Commercial Mortgage Loan Trust, Series 2008-LS1, Class A4B, 6.01%, 12/10/49 (b)               | 1,515  | 1,689,331 |
| Commercial Mortgage Trust:                                                                    |        |           |
| Series 2006-C7, Class AM, 5.79%, 6/10/46 (b)                                                  | 1,750  | 1,896,850 |
| Series 2013-CR11, Class B, 5.16%, 10/10/46 (b)                                                | 3,505  | 3,758,282 |
| Series 2013-CR11, Class C, 5.17%, 10/10/46 (a)(b)                                             | 3,271  | 3,368,966 |
| Series 2013-LC6, Class B, 3.74%, 1/10/46                                                      | 695    | 674,666   |
| Series 2013-LC6, Class D, 4.29%, 1/10/46 (a)(b)                                               | 835    | 744,465   |
| Credit Suisse Commercial Mortgage Trust:                                                      |        |           |
| Series 2006-C3, Class AM, 5.79%, 6/15/38 (b)                                                  | 1,000  | 1,085,837 |
| Series 2006-C5, Class AM, 5.34%, 12/15/39                                                     | 1,750  | 1,889,493 |
|                                                                                               | 1,010  | 1,106,872 |

Series 2010-RR2, Class 2A, 5.76%, 9/15/39

(a)(b)

Credit Suisse First Boston Mortgage  
Securities Corp., Series 2005-C3, Class AJ,  
4.77%, 7/15/37

705

725,041

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

|                                                                                                           | <b>Par<br/>(000)</b> | <b>Value</b> |
|-----------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b>                                                              |                      |              |
| <b>Commercial Mortgage-Backed Securities (concluded)</b>                                                  |                      |              |
| DBRR Trust, Series 2011-C32, Class A3A, 5.75%,<br>6/17/49 (a)(b) USD                                      | 365                  | \$ 409,873   |
| GMAC Commercial Mortgage Securities, Inc.,<br>Series 2004-C3, Class A4, 4.55%, 12/10/41                   | 321                  | 322,045      |
| Greenwich Capital Commercial Funding Corp.,<br>Series 2006-GG7, Class A4, 5.82%, 7/10/38 (b)              | 1,145                | 1,250,654    |
| GS Mortgage Securities Corp. II, Series<br>2013-GC10, Class B, 3.68%, 2/10/46 (a)                         | 1,255                | 1,199,619    |
| Hilton USA Trust, Series 2013- HLT, 4.41%,<br>11/05/30 (a)                                                | 2,950                | 3,019,195    |
| JPMorgan Chase Commercial Mortgage Securities<br>Trust:                                                   |                      |              |
| Series 2004-LN2, Class A2, 5.12%, 7/15/41                                                                 | 712                  | 717,398      |
| Series 2006-CB14, Class AM, 5.45%, 12/12/44 (b)                                                           | 330                  | 355,051      |
| LB-UBS Commercial Mortgage Trust (b):                                                                     |                      |              |
| Series 2004-C8, Class C, 4.93%, 12/15/39                                                                  | 1,385                | 1,409,981    |
| Series 2007-C6, Class A4, 5.86%, 7/15/40                                                                  | 5,192                | 5,601,573    |
| Series 2007-C7, Class A3, 5.87%, 9/15/45                                                                  | 1,103                | 1,258,000    |
| Morgan Stanley Capital I Trust, Series 2007-HQ11,<br>Class A4, 5.45%, 2/12/44 (b)                         | 4,000                | 4,410,380    |
| Morgan Stanley Reremic Trust, Series 2011, Class<br>A, 2.50%, 3/23/51 (a)                                 | 185                  | 187,657      |
| RCMC LLC, Series 2012-CRE1, Class A, 5.62%,<br>11/15/44 (a)                                               | 847                  | 869,730      |
| Titan Europe PLC, Series 2007-1X, Class A,<br>0.77%, 1/20/17 (b) GBP                                      | 1,607                | 2,476,300    |
| Wachovia Bank Commercial Mortgage Trust,<br>Series 2007-C33, Class A4, 5.93%, 2/15/51 (b) USD             | 2,285                | 2,521,299    |
| WF-RBS Commercial Mortgage Trust:                                                                         |                      |              |
| Series 2012-C8, Class B, 4.31%, 8/15/45                                                                   | 700                  | 713,171      |
| Series 2012-C8, Class C, 4.88%, 8/15/45 (b)                                                               | 900                  | 930,902      |
| Series 2013-C11, Class D, 4.18%, 3/15/45 (a)(b)                                                           | 800                  | 723,634      |
|                                                                                                           |                      | 55,061,288   |
| <b>Interest Only Collateralized Mortgage Obligations 0.0%</b>                                             |                      |              |
| GSMPS Mortgage Loan Trust, Series 1998-5,<br>0.00%, 6/19/27 (a)(b)(i)                                     | 1,634                | 16           |
| <b>Interest Only Commercial Mortgage-Backed Securities 1.2%</b>                                           |                      |              |
| Morgan Stanley Bank of America Merrill Lynch<br>Trust, Series 2012-C5, Class XA, 1.88%,<br>8/15/45 (a)(b) | 15,680               | 1,462,501    |
| Morgan Stanley Capital I Trust, Series 2012-C4,<br>Class XA, 2.66%, 3/15/45 (a)(b)                        | 9,403                | 1,141,749    |
| WF-RBS Commercial Mortgage Trust, Class XA<br>(a)(b):                                                     |                      |              |

|                                                    |              |                   |
|----------------------------------------------------|--------------|-------------------|
| Series 2012-C8, 2.23%, 8/15/45                     | 6,002        | 693,494           |
| Series 2012-C9, 2.25%, 11/15/45                    | 10,613       | 1,299,390         |
|                                                    |              | 4,597,134         |
| <b>Total Non-Agency Mortgage-Backed Securities</b> | <b>16.7%</b> | <b>65,935,583</b> |

**Preferred Securities****Capital Trusts****Capital Markets 0.8%**

|                                                           |       |           |
|-----------------------------------------------------------|-------|-----------|
| The Bank of New York Mellon Corp., Series D, 4.50% (b)(h) | 1,702 | 1,576,477 |
| Credit Suisse Group AG, 7.50% (a)(b)(h)                   | 1,500 | 1,648,200 |
| State Street Capital Trust IV, 1.24%, 6/15/37 (b)         | 70    | 54,250    |
|                                                           |       | 3,278,927 |

**Commercial Banks 0.5%**

|                                          |       |           |
|------------------------------------------|-------|-----------|
| BNP Paribas SA, 7.20% (a)(b)(h)          | 1,000 | 1,058,750 |
| Wachovia Capital Trust III, 5.57% (b)(h) | 1,025 | 991,688   |
|                                          |       | 2,050,438 |

**Preferred Securities****Capital Trusts (concluded)****Diversified Financial Services 1.8%**

|                                                           | Par<br>(000) | Value      |
|-----------------------------------------------------------|--------------|------------|
| Citigroup, Inc., Series D, 5.35% (b)(h) USD               | 1,050        | \$ 984,375 |
| General Electric Capital Corp., Series B, 6.25% (b)(d)(h) | 900          | 965,250    |
| JPMorgan Chase & Co., (b)(h):                             |              |            |
| Series 1, 7.90% (d)                                       | 3,500        | 3,927,700  |
| Series Q, 5.15%                                           | 1,500        | 1,417,500  |
|                                                           |              | 7,294,825  |

**Electric Utilities 0.5%**

|                                           |       |           |
|-------------------------------------------|-------|-----------|
| Electricite de France SA, 5.25% (a)(b)(h) | 2,100 | 2,114,700 |
|-------------------------------------------|-------|-----------|

**Insurance 3.8%**

|                                                        |       |           |
|--------------------------------------------------------|-------|-----------|
| The Allstate Corp.(b):                                 |       |           |
| 5.75%, 8/15/53                                         | 1,000 | 1,040,100 |
| 6.50%, 5/15/67 (d)                                     | 2,150 | 2,244,062 |
| American International Group, Inc., 8.18%, 5/15/58 (b) | 970   | 1,249,166 |
| AXA SA, 6.46% (a)(b)(h)                                | 1,025 | 1,068,562 |
| Genworth Holdings, Inc., 6.15%, 11/15/66 (b)           | 1,150 | 1,058,437 |
| Liberty Mutual Group, Inc., 7.00%, 3/07/67 (a)(b)      | 975   | 1,016,438 |
| Lincoln National Corp., 6.05%, 4/20/67 (b)             | 750   | 744,375   |
| Metlife Capital Trust IV, 7.88%, 12/15/67 (a)          | 645   | 753,038   |
| MetLife, Inc., 6.40%, 12/15/66                         | 3,500 | 3,650,500 |
| Swiss Re Capital I LP, 6.85% (a)(b)(d)(h)              | 1,060 | 1,135,790 |
| XL Group PLC, Series E, 6.50% (b)(h)                   | 810   | 798,863   |

**Total Capital Trusts 7.4%**

14,759,331  
29,498,221

**Preferred Stocks****Shares**

**Capital Markets 0.4%**

|                                                       |        |           |
|-------------------------------------------------------|--------|-----------|
| The Goldman Sachs Group, Inc., Series J,<br>5.50% (b) | 46,000 | 1,089,740 |
| SCE Trust III, 5.75% (b)                              | 12,657 | 319,969   |
|                                                       |        | 1,409,709 |

**Commercial Banks 1.1%**

|                          |         |           |
|--------------------------|---------|-----------|
| US Bancorp, 6.00% (b)(h) | 150,000 | 4,134,000 |
|--------------------------|---------|-----------|

**Thriffs & Mortgage Finance 0.0%**

|                                 |        |         |
|---------------------------------|--------|---------|
| Fannie Mae, Series S, 8.25% (b) | 10,000 | 120,500 |
|---------------------------------|--------|---------|

|                                    |  |           |
|------------------------------------|--|-----------|
| <b>Total Preferred Stocks 1.5%</b> |  | 5,664,209 |
|------------------------------------|--|-----------|

**Trust Preferreds 0.1%****Commercial Banks 0.1%**

|                                         |        |         |
|-----------------------------------------|--------|---------|
| Citigroup Capital XIII, 7.88%, 10/30/40 | 14,810 | 404,683 |
|-----------------------------------------|--------|---------|

|                                        |  |            |
|----------------------------------------|--|------------|
| <b>Total Preferred Securities 9.0%</b> |  | 35,567,113 |
|----------------------------------------|--|------------|

|                                                  |     | <b>Par<br/>(000)</b> |            |
|--------------------------------------------------|-----|----------------------|------------|
| <b>US Government Sponsored Agency Securities</b> |     |                      |            |
| <b>Agency Obligations 3.2%</b>                   |     |                      |            |
| Fannie Mae (d):                                  |     |                      |            |
| 0.00%, 10/09/19 (i)                              | USD | 7,305                | 6,332,339  |
| 5.63%, 7/15/37                                   |     | 825                  | 1,026,184  |
| Federal Home Loan Bank (d):                      |     |                      |            |
| 5.25%, 12/09/22                                  |     | 700                  | 822,688    |
| 5.37%, 9/09/24                                   |     | 1,100                | 1,296,536  |
| Resolution Funding Corp., 0.00%, 4/15/30<br>(i)  |     | 6,055                | 3,330,165  |
|                                                  |     |                      | 12,807,912 |

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

|                                                               | <b>Par<br/>(000)</b> | <b>Value</b> |
|---------------------------------------------------------------|----------------------|--------------|
| <b>US Government Sponsored Agency Securities</b>              |                      |              |
| <b>Collateralized Mortgage Obligations 0.1%</b>               |                      |              |
| Fannie Mae Mortgage-Backed Securities:                        |                      |              |
| Series 1991-46, Class S, 2,483.39%, 5/25/21 (b)               | USD 28               | \$ 1,799     |
| Series 1991-87, Class S, 26.27%, 8/25/21 (b)                  | 13                   | 18,801       |
| Series 2005-5, Class PK, 5.00%, 12/25/34                      | 337                  | 359,225      |
| Series G-7, Class S, 1,127.03%, 3/25/21 (b)                   | (j)                  | 1,064        |
| Series G-17, Class S, 1,064.87%, 6/25/21 (b)                  | 59                   | 1,042        |
| Series G-33, Class PV, 1.08%, 10/25/21                        | 62                   | 832          |
| Series G-49, Class S, 1,018.63%, 12/25/21 (b)                 | (j)                  | 365          |
| Freddie Mac Mortgage-Backed Securities:                       |                      |              |
| Series 19, Class R, 16,322.19%, 3/15/20 (b)                   | 1                    | 244          |
| Series 173, Class R, 9.00%, 11/15/21                          | 4                    | 3            |
| Series 173, Class RS, 9.38%, 11/15/21 (b)                     | (j)                  | 4            |
| Series 192, Class U, 1,009.03%, 2/15/22 (b)                   | (j)                  | 1            |
| Series 1057, Class J, 1.01%, 3/15/21                          | 22                   | 381          |
|                                                               |                      | 383,761      |
| <b>Commercial Mortgage-Backed Securities 0.7%</b>             |                      |              |
| Freddie Mac Mortgage-Backed Securities (b):                   |                      |              |
| Series 2012-K706, Class C, 4.02%, 11/25/44 (a)                | 170                  | 170,338      |
| Series 2013-K24, Class B, 3.50%, 11/25/45 (a)                 | 1,750                | 1,647,200    |
| Series K013, Class A2, 3.97%, 1/25/21                         | 930                  | 1,010,042    |
|                                                               |                      | 2,827,580    |
| <b>Interest Only Collateralized Mortgage Obligations 2.1%</b> |                      |              |
| Fannie Mae Mortgage-Backed Securities:                        |                      |              |
| Series 7, Class 2, 8.50%, 4/01/17                             | 1                    | 111          |
| Series 89, Class 2, 8.00%, 10/01/18                           | 2                    | 168          |
| Series 94, Class 2, 9.50%, 8/01/21                            | 1                    | 162          |
| Series 1990-123, Class M, 1.01%, 10/25/20                     | 6                    | 98           |
| Series 1990-136, Class S, 19.92%, 11/25/20 (b)                | 3,554                | 4,978        |
| Series 1991-139, Class PT, 0.65%, 10/25/21                    | 61                   | 755          |
| Series 1991-99, Class L, 0.93%, 8/25/21                       | 27                   | 430          |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (b)                  | 100                  | 3,575        |
| Series 2012-47, Class NI, 4.50%, 4/25/42                      | 5,185                | 1,158,074    |
| Series 2012-96, Class DI, 4.00%, 2/25/27                      | 6,743                | 797,199      |
| Series 2012-M9, Class X1, 4.07%, 12/25/17 (b)                 | 12,655               | 1,596,356    |
| Series G-10, Class S, 1,090.31%, 5/25/21 (b)                  | 149                  | 3,940        |
| Series G-12, Class S, 1,157.44%, 5/25/21 (b)                  | 114                  | 2,579        |
| Series G92-5, Class H, 9.00%, 1/25/22                         | 14                   | 1,506        |
| Freddie Mac Mortgage-Backed Securities:                       |                      |              |
| Series 176, Class M, 1.01%, 7/15/21                           | 9                    | 171          |
| Series 200, Class R, 197,871.63%, 12/15/22 (b)                | (j)                  | 360          |
| Series 1043, Class H, 44.30%, 2/15/21 (b)                     | 2,642                | 5,308        |
| Series 1054, Class I, 867.95%, 3/15/21 (b)                    | 21                   | 406          |
| Series 1056, Class KD, 1.08%, 3/15/21                         | 15                   | 292          |
| Series 1148, Class E, 1,178.64%, 10/15/21 (b)                 | 44                   | 904          |

|                                            |        |           |
|--------------------------------------------|--------|-----------|
| Series 1254, Class Z, 8.50%, 4/15/22       | 35     | 7,035     |
| Series 2611, Class QI, 5.50%, 9/15/32      | 960    | 101,343   |
| Series K707, Class X1, 1.56%, 12/25/18 (b) | 2,499  | 160,983   |
| Series K710, Class X1, 1.78%, 5/25/19 (b)  | 8,611  | 679,226   |
| Ginnie Mae Mortgage-Backed Securities (b): |        |           |
| Series 2009-116, Class KS, 6.32%, 12/16/39 | 2,920  | 501,892   |
| Series 2009-78, Class SD, 6.05%, 9/20/32   | 5,280  | 977,422   |
| Series 2011-52, Class NS, 6.52%, 4/16/41   | 14,557 | 2,224,752 |
|                                            |        | 8,230,025 |

|                                                                | Par<br>(000) | Value         |
|----------------------------------------------------------------|--------------|---------------|
| <b>US Government Sponsored Agency Securities</b>               |              |               |
| <b>Mortgage-Backed Securities 7.3%</b>                         |              |               |
| Fannie Mae Mortgage-Backed Securities:                         |              |               |
| 3.00%, 3/01/44 (k) USD                                         | 16,300       | \$ 15,833,285 |
| 4.00%, 12/01/41 (d)                                            | 3,117        | 3,270,874     |
| 4.50%, 7/01/41 (d)                                             | 3,846        | 4,133,783     |
| 5.00%, 8/01/34 (d)                                             | 2,373        | 2,602,406     |
| 5.50%, 9/01/14 6/01/38 (d)                                     | 1,506        | 1,665,528     |
| 6.00%, 3/01/16 12/01/38 (d)                                    | 1,273        | 1,411,061     |
| Ginnie Mae Mortgage-Backed Securities, 8.00%,<br>7/15/24       |              | (j) 318       |
|                                                                |              | 28,917,255    |
| <b>Principal Only Collateralized Mortgage Obligations 0.0%</b> |              |               |
| Fannie Mae Mortgage-Backed Securities,<br>2/01/23 6/1/23       | 30           | 28,155        |
| <b>Total US Government Sponsored Agency Securities 13.4%</b>   |              | 53,194,688    |

**US Treasury Obligations**

|                                            |       |             |
|--------------------------------------------|-------|-------------|
| US Treasury Bonds (d):                     |       |             |
| 6.25%, 8/15/23                             | 4,355 | 5,728,528   |
| 5.38%, 2/15/31                             | 375   | 480,234     |
| 3.50%, 2/15/39                             | 2,865 | 2,863,209   |
| 4.25%, 5/15/39                             | 2,770 | 3,125,773   |
| 4.38%, 5/15/40                             | 8,225 | 9,465,174   |
| 4.75%, 2/15/41                             | 1,621 | 1,975,847   |
| 4.38%, 5/15/41                             | 805   | 926,253     |
| 3.13%, 11/15/41                            | 9,925 | 9,144,955   |
| 3.13%, 2/15/42                             | 2,368 | 2,178,191   |
| 3.00%, 5/15/42                             | 2,730 | 2,445,056   |
| 3.13%, 2/15/43                             | 2,344 | 2,143,571   |
| US Treasury Notes:                         |       |             |
| 1.50%, 1/31/19                             | 5,100 | 5,101,994   |
| 1.75%, 5/15/22 (d)                         | 152   | 144,602     |
| <b>Total US Treasury Obligations 11.6%</b> |       | 45,723,387  |
| <b>Total Long-Term Investments</b>         |       |             |
| <b>(Cost \$546,861,976) 144.3%</b>         |       | 570,739,741 |

**Short-Term Securities**

| Shares    |           |
|-----------|-----------|
| 4,630,425 | 4,630,425 |

BlackRock Liquidity Funds, TempFund, Institutional  
 Class, 0.03% (l)(m)

**Total Short-Term Securities**

(Cost \$4,630,425) 1.2% 4,630,425

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**Options Purchased**

(Cost \$681,336) 0.1% 553,189

**Total Investments Before Options Written**

(Cost \$552,173,737) 145.6% 575,923,355

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**Options Written**

(Premiums Received \$2,390,029) (0.4)% (1,762,070)

**Total Investments, Net of Options Written 145.2%** 574,161,285

**Liabilities in Excess of Other Assets (45.2)%** (178,603,298)

**Net Assets 100.0%** \$ 395,557,987

See Notes to Financial Statements.

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

Schedule of Investments (continued)

## Notes to Schedule of Investments

- (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) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                       | Value     | Unrealized<br>Appreciation |
|------------------------------------|-----------|----------------------------|
| Credit Suisse Securities (USA) LLC | \$236,797 | \$1,787                    |

- (d) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (e) Non-income producing security.
- (f) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (g) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (h) Security is perpetual in nature and has no stated maturity date.
- (i) Zero-coupon bond.
- (j) Amount is less than \$500.
- (k) Represents or includes a TBA transaction. Unsettled TBA transactions as of February 28, 2014 were as follows:

| Counterparty        | Value        | Unrealized<br>Appreciation |
|---------------------|--------------|----------------------------|
| Goldman Sachs & Co. | \$15,833,285 | \$24,832                   |

- (l) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                                                | Shares<br>Held at<br>August 31, 2013 | Net<br>Activity | Shares<br>Held at<br>February 28, 2014 | Income |
|----------------------------------------------------------|--------------------------------------|-----------------|----------------------------------------|--------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 6,904,938                            | (2,274,513)     | 4,630,425                              | \$921  |

- (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 the investment advisor. 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 February 28, 2014 were as follows:

| Counterparty                               | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|--------------------------------------------|---------------|------------|---------------|------------|---------------------------------------|
| BNP Paribas Securities Corp.               | 0.35%         | 2/22/13    | Open          | \$ 883,000 | \$ 886,460                            |
| Credit Suisse Securities (USA) LLC         | 0.35%         | 2/01/13    | Open          | 1,793,610  | 1,800,463                             |
| Credit Suisse Securities (USA) LLC         | 0.35%         | 2/01/13    | Open          | 1,937,250  | 1,944,652                             |
| Deutsche Bank Securities, Inc.             | 0.05%         | 2/07/13    | Open          | 1,406,625  | 1,408,247                             |
| BNP Paribas Securities Corp.               | 0.32%         | 2/08/13    | Open          | 2,384,000  | 2,392,180                             |
| BNP Paribas Securities Corp.               | 0.32%         | 2/08/13    | Open          | 505,000    | 506,733                               |
| BNP Paribas Securities Corp.               | 0.02%         | 2/14/13    | Open          | 9,937,406  | 9,945,637                             |
| BNP Paribas Securities Corp.               | 0.33%         | 2/14/13    | Open          | 1,020,000  | 1,023,553                             |
| UBS Securities LLC                         | 0.34%         | 2/14/13    | Open          | 1,089,625  | 1,093,535                             |
| UBS Securities LLC                         | 0.34%         | 2/14/13    | Open          | 814,000    | 816,921                               |
| BNP Paribas Securities Corp.               | 0.03%         | 2/20/13    | Open          | 150,670    | 150,794                               |
| BNP Paribas Securities Corp.               | 0.34%         | 2/28/13    | Open          | 2,258,000  | 2,265,805                             |
| BNP Paribas Securities Corp.               | 0.34%         | 2/28/13    | Open          | 1,109,000  | 1,112,833                             |
| BNP Paribas Securities Corp.               | 0.33%         | 3/07/13    | Open          | 1,884,000  | 1,890,200                             |
| BNP Paribas Securities Corp.               | 0.33%         | 3/07/13    | Open          | 2,313,000  | 2,320,612                             |
| BNP Paribas Securities Corp.               | 0.33%         | 3/11/13    | Open          | 2,932,000  | 2,941,541                             |
| Barclays Capital, Inc.                     | 0.35%         | 3/02/13    | Open          | 1,025,525  | 1,028,835                             |
| Barclays Capital, Inc.                     | 0.35%         | 3/02/13    | Open          | 1,804,525  | 1,810,350                             |
| Barclays Capital, Inc.                     | 0.35%         | 3/02/13    | Open          | 1,249,963  | 1,253,997                             |
| Barclays Capital, Inc.                     | 0.35%         | 3/02/13    | Open          | 369,609    | 370,802                               |
| BNP Paribas Securities Corp.               | 0.02%         | 3/02/13    | Open          | 2,719,763  | 2,721,438                             |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | 0.02%         | 3/02/13    | Open          | 3,465,963  | 3,467,979                             |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | 0.07%         | 3/02/13    | Open          | 6,446,662  | 6,452,261                             |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | 0.07%         | 3/02/13    | Open          | 908,250    | 909,039                               |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | 0.20%         | 3/02/13    | Open          | 6,205,875  | 6,217,356                             |
| Credit Suisse Securities (USA) LLC         | 0.35%         | 3/03/13    | Open          | 5,642,775  | 5,660,934                             |

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of February 28, 2014 were as follows (concluded):

| Counterparty                               | Interest Rate | Maturity Date | Face Value | Face Value Including Accrued Interest |              |
|--------------------------------------------|---------------|---------------|------------|---------------------------------------|--------------|
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | \$ 1,967,006                          | \$ 1,973,336 |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,460,625                             | 1,465,325    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,232,000                             | 1,235,965    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,751,625                             | 1,757,262    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 599,688                               | 601,617      |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,363,838                             | 1,368,226    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,505,317                             | 1,510,162    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,372,250                             | 1,376,666    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,600,156                             | 1,605,305    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,317,750                             | 1,321,991    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 262,813                               | 263,658      |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,359,375                             | 1,363,749    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 1,284,050                             | 1,288,182    |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 361,875                               | 363,039      |
| Credit Suisse Securities (USA) LLC         | 0.34%         | 03/13         | Open       | 411,500                               | 412,824      |
| UBS Securities LLC                         | 0.32%         | 11/13         | Open       | 1,625,000                             | 1,629,680    |
| UBS Securities LLC                         | 0.40%         | 11/13         | Open       | 4,044,937                             | 4,059,424    |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | (0.02)%       | 12/13         | Open       | 3,262,519                             | 3,261,029    |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | 0.04%         | 12/13         | Open       | 10,877,562                            | 10,880,760   |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | 0.04%         | 12/13         | Open       | 3,560,880                             | 3,562,582    |
| BNP Paribas Securities Corp.               | 0.04%         | 12/13         | Open       | 1,045,494                             | 1,045,670    |
| BNP Paribas Securities Corp.               | 0.04%         | 12/13         | Open       | 2,212,665                             | 2,213,152    |
| UBS Securities LLC                         | 0.34%         | 12/13         | Open       | 969,750                               | 972,543      |
| UBS Securities LLC                         | 0.34%         | 12/13         | Open       | 858,950                               | 861,424      |
| UBS Securities LLC                         | 0.34%         | 12/13         | Open       | 897,625                               | 900,287      |
| UBS Securities LLC                         | 0.37%         | 12/13         | Open       | 1,102,400                             | 1,105,856    |
| Barclays Capital, Inc.                     | 0.35%         | 12/13         | Open       | 3,344,933                             | 3,353,063    |
| BNP Paribas Securities Corp.               | 0.06%         | 12/13         | Open       | 493,594                               | 493,683      |
| BNP Paribas Securities Corp.               | 0.06%         | 12/13         | Open       | 1,077,656                             | 1,078,270    |
| BNP Paribas Securities Corp.               | 0.32%         | 12/13         | Open       | 2,886,000                             | 2,892,413    |
| BNP Paribas Securities Corp.               | 0.03%         | 12/13         | Open       | 1,832,500                             | 1,833,073    |
| Deutsche Bank Securities, Inc.             | 0.34%         | 12/13         | Open       | 2,040,000                             | 2,043,526    |
| BNP Paribas Securities Corp.               | 0.34%         | 12/13         | Open       | 3,568,000                             | 3,573,122    |
| Deutsche Bank Securities, Inc.             | 0.34%         | 09/13         | Open       | 847,000                               | 848,144      |
| Deutsche Bank Securities, Inc.             | 0.34%         | 09/13         | Open       | 678,000                               | 678,916      |
| Deutsche Bank Securities, Inc.             | 0.34%         | 09/13         | Open       | 872,000                               | 873,178      |
| Deutsche Bank Securities, Inc.             | 0.00%         | 12/13         | Open       | 347,000                               | 347,783      |
| BNP Paribas Securities Corp.               | 0.34%         | 02/13         | Open       | 1,825,000                             | 1,827,223    |
| BNP Paribas Securities Corp.               | 0.35%         | 02/13         | Open       | 4,559,100                             | 4,564,818    |
| Credit Suisse Securities (USA) LLC         | 0.35%         | 02/13         | Open       | 2,119,906                             | 2,122,565    |

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|                                    |                                |                      |                      |
|------------------------------------|--------------------------------|----------------------|----------------------|
| Deutsche Bank Securities, Inc.     | 0.35% <del>0.31/10</del> Open  | 3,829,000            | 3,833,504            |
| RBC Capital Markets, LLC           | 0.34% <del>0.08/14</del> Open  | 1,980,000            | 1,980,972            |
| UBS Securities LLC                 | 0.28% <del>0.10/14</del> Open  | 3,396,000            | 3,396,475            |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 696,000              | 696,111              |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 343,000              | 343,055              |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 2,457,000            | 2,457,393            |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 922,000              | 922,147              |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 754,000              | 754,121              |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 1,355,000            | 1,355,217            |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 1,416,000            | 1,416,227            |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 1,349,000            | 1,349,223            |
| UBS Securities LLC                 | 0.32% <del>0.10/14</del> Open  | 1,124,000            | 1,124,185            |
| UBS Securities LLC                 | 0.34% <del>0.10/14</del> Open  | 779,000              | 779,132              |
| UBS Securities LLC                 | 0.34% <del>0.10/14</del> Open  | 753,000              | 753,128              |
| UBS Securities LLC                 | 0.34% <del>0.10/14</del> Open  | 3,716,000            | 3,716,632            |
| UBS Securities LLC                 | 0.34% <del>0.10/14</del> Open  | 844,000              | 844,143              |
| UBS Securities LLC                 | 0.34% <del>0.10/14</del> Open  | 886,000              | 886,151              |
| UBS Securities LLC                 | 0.34% <del>0.10/14</del> Open  | 515,000              | 515,088              |
| UBS Securities LLC                 | 0.35% <del>0.10/14</del> Open  | 995,000              | 995,174              |
| UBS Securities LLC                 | 0.40% <del>0.10/14</del> Open  | 496,000              | 496,099              |
| Credit Suisse Securities (USA) LLC | 0.12% <del>0.12/13/13/14</del> | 12,579,189           | 12,579,860           |
| <b>Total</b>                       |                                | <b>\$178,238,624</b> | <b>\$178,516,685</b> |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts Purchased (Sold) | Issue                       | Exchange               | Expiration | Notional Value | Unrealized Appreciation (Depreciation) |
|----------------------------|-----------------------------|------------------------|------------|----------------|----------------------------------------|
| 63                         | 2-Year US Treasury Note     | Chicago Board of Trade | June 2014  | USD 13,852,125 | \$ 3,332                               |
| 140                        | 5-Year US Treasury Note     | Chicago Board of Trade | June 2014  | USD 16,780,313 | 19,925                                 |
| 195                        | Long US Treasury Bond       | Chicago Board of Trade | June 2014  | USD 25,947,188 | 233,185                                |
| 186                        | Ultra Long US Treasury Bond | Chicago Board of Trade | June 2014  | USD 26,708,437 | 314,171                                |
| (468)                      | 10-Year US Treasury Note    | Chicago Board of Trade | June 2014  | USD 58,280,625 | (176,324)                              |
| <b>Total</b>               |                             |                        |            |                | <b>\$ 394,289</b>                      |

Foreign currency exchange contracts outstanding as of February 28, 2014 were as follows:

| Currency Purchased | Currency Sold | Counterparty      | Settlement Date | Unrealized Depreciation |
|--------------------|---------------|-------------------|-----------------|-------------------------|
| USD 4,628,198      | EUR 3,404,000 | Barclays Bank PLC | 4/22/14         | \$ (70,262 )            |
| USD 11,585,303     | GBP 7,062,000 | Barclays Bank PLC | 4/22/14         | (236,073 )              |
| USD 331,102        | GBP 200,000   | Citibank N.A.     | 4/22/14         | (3,687 )                |
| USD 164,938        | GBP 100,000   | UBS AG            | 4/22/14         | (2,456 )                |
| <b>Total</b>       |               |                   |                 | <b>\$ (312,478)</b>     |

OTC interest rate swaptions purchased as of February 28, 2014 were as follows:

| Description                | Counterparty         | Pay/Receive | Exercise Rate | Index         | Expiration Date | Notional Amount (000) | Market Value |
|----------------------------|----------------------|-------------|---------------|---------------|-----------------|-----------------------|--------------|
| 3-Year Interest Rate Swap  | Deutsche Bank AG     | Call        | 1.68%         | Receive LIBOR | 06/15           | USD 2,500             | \$ 33,906    |
| 1-Year Interest Rate Swap  | Bank of America N.A. | Put         | 0.60%         | Pay LIBOR     | 02/14           | USD 50,100            | 24,832       |
| 3-Year Interest Rate Swap  | Deutsche Bank AG     | Put         | 1.68%         | Pay LIBOR     | 01/06/15        | USD 2,500             | 14,573       |
| 10-Year Interest Rate Swap | Deutsche Bank AG     | Put         | 4.50%         | Pay LIBOR     | 03/16/17        | USD 6,300             | 203,535      |
| 10-Year Interest Rate Swap | Deutsche Bank AG     | Put         | 4.50%         | Pay LIBOR     | 05/22/18        | USD 6,000             | 276,343      |



**Total**

\$ 553,189

OTC interest rate swaptions written as of February 28, 2014 were as follows:

| Description                | Counterparty                   | Put/Exercise<br>CallRate | Pay/Receive<br>Exercise<br>Rate | Floating<br>Rate<br>Index | Expiration<br>Date | Notional<br>Amount<br>(000) | Market<br>Value |
|----------------------------|--------------------------------|--------------------------|---------------------------------|---------------------------|--------------------|-----------------------------|-----------------|
| 5-Year Interest Rate Swap  | Barclays<br>Bank PLC           | Call 1.50%               | Pay                             | 3-month<br>LIBOR          | 4/08/2014          | USD 15,300                  | \$(15,773 )     |
| 5-Year Interest Rate Swap  | JPMorgan<br>Chase<br>Bank N.A. | Call 1.35%               | Pay                             | 3-month<br>LIBOR          | 7/11/2014          | USD 15,600                  | (11,829 )       |
| 10-Year Interest Rate Swap | Barclays<br>Bank PLC           | Call 3.26%               | Pay                             | 3-month<br>LIBOR          | 11/14/2014         | USD 6,300                   | (211,238 )      |
| 10-Year Interest Rate Swap | JPMorgan<br>Chase<br>Bank N.A. | Call 3.25%               | Pay                             | 3-month<br>LIBOR          | 11/14/2014         | USD 6,300                   | (209,418 )      |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG            | Call 2.85%               | Pay                             | 3-month<br>LIBOR          | 11/17/2014         | USD 7,500                   | (108,922 )      |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG            | Call 3.28%               | Pay                             | 3-month<br>LIBOR          | 1/30/2015          | USD 2,500                   | (83,299 )       |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG            | Call 2.80%               | Pay                             | 3-month<br>LIBOR          | 2/10/2015          | USD 2,500                   | (33,810 )       |
| 5-Year Interest Rate Swap  | JPMorgan<br>Chase<br>Bank N.A. | Put 2.00%                | Receive                         | 3-month<br>LIBOR          | 4/08/2014          | USD 15,300                  | (9,737 )        |
| 5-Year Interest Rate Swap  | JPMorgan<br>Chase<br>Bank N.A. | Put 2.00%                | Receive                         | 3-month<br>LIBOR          | 7/11/2014          | USD 15,600                  | (90,324 )       |
| 10-Year Interest Rate Swap | Barclays<br>Bank PLC           | Put 3.26%                | Receive                         | 3-month<br>LIBOR          | 11/14/2014         | USD 6,300                   | (106,019 )      |
| 10-Year Interest Rate Swap | JPMorgan<br>Chase<br>Bank N.A. | Put 3.25%                | Receive                         | 3-month<br>LIBOR          | 11/14/2014         | USD 6,300                   | (106,975 )      |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG            | Put 3.70%                | Receive                         | 3-month<br>LIBOR          | 11/17/2014         | USD 7,500                   | (56,148 )       |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG            | Put 3.28%                | Receive                         | 3-month<br>LIBOR          | 1/30/2015          | USD 2,500                   | (57,105 )       |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG            | Put 3.80%                | Receive                         | 3-month<br>LIBOR          | 2/10/2015          | USD 2,500                   | (26,218 )       |
| 10-Year Interest Rate Swap |                                | Put 3.70%                | Receive                         |                           | 2/25/2015          | USD 1,500                   | (19,878 )       |

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|                            |                            |                   |  |                  |           |     |        |                      |
|----------------------------|----------------------------|-------------------|--|------------------|-----------|-----|--------|----------------------|
|                            | Bank of<br>America<br>N.A. |                   |  | 3-month<br>LIBOR |           |     |        |                      |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG        | Put 4.15% Receive |  | 3-month<br>LIBOR | 2/26/2014 | USD | 6,000  | (143,844 )           |
| 10-Year Interest Rate Swap | Citibank<br>N.A.           | Put 4.15% Receive |  | 3-month<br>LIBOR | 2/29/2014 | USD | 6,000  | (144,389 )           |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG        | Put 6.00% Receive |  | 3-month<br>LIBOR | 3/16/2014 | USD | 12,600 | (122,430 )           |
| 10-Year Interest Rate Swap | Deutsche<br>Bank AG        | Put 6.00% Receive |  | 3-month<br>LIBOR | 5/22/2014 | USD | 12,000 | (204,714 )           |
| <b>Total</b>               |                            |                   |  |                  |           |     |        | <b>\$(1,762,070)</b> |

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

Centrally cleared interest rate swaps outstanding as of February 28, 2014 were as follows:

| Fixed Rate         | Floating Rate | Clearinghouse      | Effective Date       | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|--------------------|----------------------|-----------------|-----------------------|----------------------------------------|
| 0.56% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A                  | 6/25/15         | USD20,900             | \$ (70,978)                            |
| 1.56% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | 7/03/14 <sup>2</sup> | 8/31/18         | USD28,300             | (61,126)                               |
| 2.29% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | 6/30/14 <sup>2</sup> | 2/15/21         | USD17,600             | 5,889                                  |
| 3.65% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A                  | 2/27/44         | USD1,500              | (173,824)                              |
| 3.59% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A                  | 3/04/44         | USD 5,900             | (15,920)                               |
| <b>Total</b>       |               |                    |                      |                 |                       | \$ (315,959)                           |

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

<sup>2</sup>Forward swap.

OTC credit default swaps buy protection outstanding as of February 28, 2014 were as follows:

| Issuer                 | Pay Fixed Rate | Counterparty      | Expiration Date | Notional Amount (000) | Market Value | Premiums Paid | Unrealized Depreciation |
|------------------------|----------------|-------------------|-----------------|-----------------------|--------------|---------------|-------------------------|
| Radian Group, Inc.     | 5.00%          | Citibank N.A.     | 6/20/15         | USD1,400              | \$(74,960)   | \$21,192      | \$ (96,152)             |
| The New York Times Co. | 1.00%          | Barclays Bank PLC | 12/20/16        | USD1,800              | (22,011)     | 70,542        | (92,553)                |
| <b>Total</b>           |                |                   |                 |                       | \$(96,971)   | \$91,734      | \$(188,705)             |

OTC credit default swaps sold protection outstanding as of February 28, 2014 were as follows:

| Issuer            | Receive Fixed Rate | Counterparty                          | Expiration Date | Credit Rating <sup>3</sup> | Notional Amount (000) <sup>4</sup> | Market Value | Premiums Received | Unrealized Appreciation |
|-------------------|--------------------|---------------------------------------|-----------------|----------------------------|------------------------------------|--------------|-------------------|-------------------------|
| Exxon Mobil Corp. | 1.50%              | HSBC Bank PLC                         | 6/12/14         | BBB                        | USD1,875                           | \$(2,208)    | \$(5,465)         | \$3,257                 |
| Exxon Life, Inc.  | 1.00%              | Credit Suisse International           | 9/20/16         | A-                         | USD545                             | 8,593        | (25,531)          | 34,126                  |
| Exxon Life, Inc.  | 1.00%              | Deutsche Bank AG                      | 9/20/16         | A-                         | USD730                             | 11,511       | (31,272)          | 42,789                  |
| Exxon Life, Inc.  | 1.00%              | Goldman Sachs Bank USA                | 9/20/16         | A-                         | USD500                             | 7,884        | (20,846)          | 28,733                  |
| Exxon Life, Inc.  | 1.00%              | Morgan Stanley Capital Services, Inc. | 9/20/16         | A-                         | USD910                             | 14,348       | (38,229)          | 52,571                  |
| Exxon Life, Inc.  | 1.00%              | Morgan Stanley Capital Services, Inc. | 9/20/16         | A-                         | USD275                             | 4,336        | (10,304)          | 14,641                  |
| Exxon Life, Inc.  | 1.00%              | Citibank N.A.                         | 12/20/16        | A-                         | USD298                             | 4,905        | (12,155)          | 17,061                  |
| Exxon Life, Inc.  | 1.00%              | Citibank N.A.                         | 12/20/16        | A-                         | USD290                             | 4,759        | (12,941)          | 17,700                  |
| <b>Total</b>      |                    |                                       |                 |                            |                                    | \$54,128     | \$(156,743)       | \$210,800               |

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

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

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 or liabilities that the Trust has the ability to access

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)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. 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, please refer to Note 2 of the Notes to Financial Statements.

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

Schedule of Investments (continued)

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                           | Level 1              | Level 2               | Level 3             | Total                 |
|-------------------------------------------|----------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                            |                      |                       |                     |                       |
| Investments:                              |                      |                       |                     |                       |
| Long-Term Investments:                    |                      |                       |                     |                       |
| Asset-Backed Securities                   |                      | \$ 17,257,853         | \$3,054,423         | \$ 20,312,276         |
| Common Stocks                             |                      |                       | 411,680             | 411,680               |
| Corporate Bonds                           |                      | 325,737,560           | 6,370,250           | 332,107,810           |
| Foreign Agency Obligations                |                      | 5,478,847             |                     | 5,478,847             |
| Municipal Bonds                           |                      | 12,008,357            |                     | 12,008,357            |
| Non-Agency Mortgage-Backed Securities     |                      | 65,935,563            | 20                  | 65,935,583            |
| Preferred Securities                      | \$ 6,068,892         | 29,498,221            |                     | 35,567,113            |
| US Government Sponsored Agency Securities |                      | 53,194,077            | 611                 | 53,194,688            |
| US Treasury Obligations                   |                      | 45,723,387            |                     | 45,723,387            |
| Short-Term Securities                     | 4,630,425            |                       |                     | 4,630,425             |
| Options Purchased:                        |                      |                       |                     |                       |
| Interest Rate Contracts                   |                      | 553,189               |                     | 553,189               |
| <b>Total</b>                              | <b>\$ 10,699,317</b> | <b>\$ 555,387,054</b> | <b>\$ 9,836,984</b> | <b>\$ 575,923,355</b> |

|                                               | Level 1           | Level 2               | Level 3 | Total                 |
|-----------------------------------------------|-------------------|-----------------------|---------|-----------------------|
| Derivative Financial Instruments <sup>1</sup> |                   |                       |         |                       |
| <b>Assets:</b>                                |                   |                       |         |                       |
| Credit contracts                              |                   | \$ 210,871            |         | \$ 210,871            |
| Interest rate contracts                       | \$ 570,613        | 5,889                 |         | 576,502               |
| <b>Liabilities:</b>                           |                   |                       |         |                       |
| Credit contracts                              |                   | (188,705)             |         | (188,705)             |
| Foreign currency exchange contracts           |                   | (312,478)             |         | (312,478)             |
| Interest rate contracts                       | (176,324)         | (2,083,918)           |         | (2,260,242)           |
| <b>Total</b>                                  | <b>\$ 394,289</b> | <b>\$ (2,368,341)</b> |         | <b>\$ (1,974,052)</b> |

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

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There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2014.

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                                              | Level 1             | Level 2         | Level 3                | Total                  |
|--------------------------------------------------------------|---------------------|-----------------|------------------------|------------------------|
| <b>Assets:</b>                                               |                     |                 |                        |                        |
| Cash                                                         | \$ 127,578          |                 |                        | \$ 127,578             |
| Foreign currency at value                                    | 10,410              |                 |                        | 10,410                 |
| Cash pledged for financial futures contracts                 | 682,000             |                 |                        | 682,000                |
| Cash pledged for centrally cleared swaps                     | 1,475,000           |                 |                        | 1,475,000              |
| Cash pledged as collateral for reverse repurchase agreements | 5,935,255           |                 |                        | 5,935,255              |
| Cash pledged as collateral for OTC derivatives               | 1,290,000           |                 |                        | 1,290,000              |
| <b>Liabilities:</b>                                          |                     |                 |                        |                        |
| Reverse repurchase agreements                                |                     | \$(178,516,685) |                        | (178,516,685)          |
| <b>Total</b>                                                 | <b>\$ 9,520,243</b> |                 | <b>\$(178,516,685)</b> | <b>\$(168,996,442)</b> |

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

## Schedule of Investments (concluded)

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

|                                                                                                                      | Common<br>Stocks  | Asset-Backed<br>Securities | Corporate<br>Bonds  | Non-Agency<br>Mortgage-Backed<br>Securities | US<br>Government<br>Sponsored<br>Agency<br>Securities | Total               |
|----------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------|---------------------|---------------------------------------------|-------------------------------------------------------|---------------------|
| <b>Assets:</b>                                                                                                       |                   |                            |                     |                                             |                                                       |                     |
| Opening Balance, as of August 31, 2013                                                                               | \$ 396,800        | \$ 10,488,482              | \$ 6,294,250        | \$ 25                                       | \$ 717                                                | \$ 17,180,274       |
| Transfers into Level 3                                                                                               | —                 | —                          | —                   | —                                           | —                                                     | —                   |
| Transfers out of Level 3 <sup>1</sup>                                                                                | —                 | (5,936,298)                | —                   | —                                           | —                                                     | (5,936,298)         |
| Accrued discounts/premiums                                                                                           | —                 | (160,244)                  | —                   | —                                           | —                                                     | (160,244)           |
| Net realized gain                                                                                                    | —                 | 27,678                     | —                   | 4                                           | —                                                     | 27,682              |
| Net change in unrealized<br>appreciation/depreciation <sup>2,3</sup>                                                 | 14,880            | 130,005                    | 76,000              | (4)                                         | (105)                                                 | 220,776             |
| Purchases                                                                                                            | —                 | —                          | —                   | —                                           | —                                                     | —                   |
| Sales                                                                                                                | —                 | (1,495,200)                | —                   | (5)                                         | (1)                                                   | (1,495,206)         |
| <b>Closing Balance, as of February 28, 2014</b>                                                                      | <b>\$ 411,680</b> | <b>\$ 3,054,423</b>        | <b>\$ 6,370,250</b> | <b>\$ 20</b>                                | <b>\$ 611</b>                                         | <b>\$ 9,836,984</b> |
| Net change in unrealized<br>appreciation/depreciation on<br>investments still held at February 28, 2014 <sup>3</sup> | \$ 14,880         | \$ 138,365                 | \$ 76,000           | \$ (4)                                      | \$ (105)                                              | \$ 229,136          |

As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of February 28, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$5,936,298 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup>Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

<sup>3</sup>Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at February 28, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

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

See Notes to Financial Statements.

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

Schedule of Investments February 28, 2014 (unaudited)

|                                                                                                      | <b>Par<br/>(000)</b> | <b>Value</b>     |
|------------------------------------------------------------------------------------------------------|----------------------|------------------|
| <b>Asset-Backed Securities</b>                                                                       |                      |                  |
| <b>Asset-Backed Securities — 0.9%</b>                                                                |                      |                  |
| First Franklin Mortgage Loan Trust, Series 2005-FF2, Class M2, 0.82%, 3/25/35 (a)                    | \$ 2,384             | \$ 2,380,992     |
| Securitized Asset-Backed Receivables LLC Trust, Series 2005-OP2, Class M1, 0.59%, 10/25/35 (a)       | 1,875                | 1,571,963        |
| Small Business Administration Participation Certificates, Class 1: Series 1996-20E, 7.60%, 5/01/16   | 54                   | 56,581           |
| Series 1996-20G, 7.70%, 7/01/16                                                                      | 54                   | 56,975           |
| Series 1996-20H, 7.25%, 8/01/16                                                                      | 65                   | 68,048           |
| Series 1996-20K, 6.95%, 11/01/16                                                                     | 172                  | 179,498          |
| Series 1997-20C, 7.15%, 3/01/17                                                                      | 67                   | 71,383           |
|                                                                                                      |                      | 4,385,440        |
| <b>Interest Only Asset-Backed Securities — 0.2%</b>                                                  |                      |                  |
| Small Business Administration, Series 1, 1.00%, 4/01/15                                              | 981                  | 8,582            |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (b)                                   | 3,188                | 228,108          |
| Sterling Coofs Trust, Series 2004-1, Class A, 2.36%, 4/15/29 (b)                                     | 6,372                | 424,127          |
|                                                                                                      |                      | 660,817          |
| <b>Total Asset-Backed Securities — 1.1%</b>                                                          |                      | <b>5,046,257</b> |
| <hr/>                                                                                                |                      |                  |
| <b>Non-Agency Mortgage-Backed Securities</b>                                                         |                      |                  |
| <b>Collateralized Mortgage Obligations — 1.1%</b>                                                    |                      |                  |
| Collateralized Mortgage Obligation Trust, Series 40, Class R, 580.48%, 4/01/18                       | 44                   | 44               |
| Deutsche Securities, Inc. Mortgage Alternate Loan Trust, Series 2006-AR5, Class 22A, 5.50%, 10/25/21 | 474                  | 454,238          |
| Homebanc Mortgage Trust, Series 2005-4, Class A1, 0.43%, 10/25/35 (a)                                | 2,499                | 2,212,667        |
| Kidder Peabody Acceptance Corp., Series 1993-1, Class A6, 16.33%, 8/25/23 (a)                        | 45                   | 51,079           |
| Residential Funding Securities LLC, Series 2003-RM2, Class AI5, 8.50%, 5/25/33                       | 1,076                | 1,153,172        |
| Structured Adjustable Rate Mortgage Loan Trust, Series 2004-11, Class A, 2.53%, 8/25/34 (a)          | 1,159                | 1,151,774        |
|                                                                                                      |                      | 5,022,974        |
| <b>Commercial Mortgage-Backed Securities — 0.6%</b>                                                  |                      |                  |
| Credit Suisse Commercial Mortgage Trust, Series 2007-C2, Class A3, 5.54%, 1/15/49 (a)                | 2,420                | 2,662,247        |
| <b>Interest Only Collateralized Mortgage Obligations — 0.7%</b>                                      |                      |                  |
| Bank of America Mortgage Securities, Inc., Series 2003-3, Class 1A, 0.09%, 5/25/33 (a)               | 31,963               | 185,032          |
| CitiMortgage Alternative Loan Trust, Series 2007-A5, Class 1A7, 6.00%, 5/25/37                       | 698                  | 171,434          |
| First Boston Mortgage Securities Corp., Series C, 10.97%, 4/25/17                                    | 9                    | 725              |



|                                                                                                                |                      |                   |
|----------------------------------------------------------------------------------------------------------------|----------------------|-------------------|
| GSMPS Mortgage Loan Trust, Series 1998-5, 0.00%, 6/19/27<br>(a)(b)                                             | 3,249                | 33                |
| IndyMac INDX Mortgage Loan Trust, Series 2006-AR33, Class<br>4AX, 0.17%, 1/25/37                               | 73,233               | 241,890           |
| MASTR Adjustable Rate Mortgages Trust, Series 2004-3, Class<br>3AX, 0.48%, 4/25/34 (c)                         | 8,447                | 93,704            |
| MASTR Alternative Loans Trust, Series 2003-9, Class 15X2,<br>6.00%, 1/25/19                                    | 286                  | 31,200            |
| Morgan Stanley Mortgage Loan Trust, Series 2004-3, Class<br>1AX, 5.00%, 5/25/19                                | 258                  | 19,488            |
| Sequoia Mortgage Trust, Series 2005-2, Class XA, 1.01%,<br>3/20/35 (a)                                         | 35,545               | 572,052           |
|                                                                                                                | <b>Par<br/>(000)</b> | <b>Value</b>      |
| <b>Non-Agency Mortgage-Backed Securities</b>                                                                   |                      |                   |
| <b>Interest Only Collateralized Mortgage Obligations (concluded)</b>                                           |                      |                   |
| Structured Adjustable Rate Mortgage Loan Trust,<br>Series 2006-7, Class 3AS, 4.78%, 8/25/36 (a)                | \$17,863             | \$ 2,003,958      |
| Vendee Mortgage Trust, Series 1999-2, Class 1,<br>0.01%, 5/15/29 (a)                                           | 40,851               | 5,053             |
|                                                                                                                |                      | 3,324,569         |
| <b>Interest Only Commercial Mortgage-Backed Securities — 0.0%</b>                                              |                      |                   |
| Credit Suisse First Boston Mortgage Securities<br>Corp., Series 1997-C1, Class AX, 1.14%, 6/20/29<br>(a)(b)(d) | 2,075                | 6,694             |
| <b>Principal Only Collateralized Mortgage Obligations — 0.3%</b>                                               |                      |                   |
| Countrywide Home Loan Mortgage Pass-Through<br>Trust:                                                          |                      |                   |
| Series 2003-26, 8/25/33                                                                                        | 645                  | 578,209           |
| Series 2003-J4, 6/25/33                                                                                        | 123                  | 106,146           |
| Series 2003-J5, 7/25/33                                                                                        | 247                  | 216,834           |
| Series 2003-J8, 9/25/23                                                                                        | 158                  | 148,904           |
| Drexel Burnham Lambert CMO Trust, Class 1:<br>Series K, 9/23/17                                                | 4                    | 3,920             |
| Series V, 9/01/18                                                                                              | 4                    | 4,416             |
| Residential Asset Securitization Trust, Series<br>2005-A15, Class 1A8, 2/25/36                                 | 566                  | 361,495           |
| Structured Mortgage Asset Residential Trust,<br>Series 1993-3C, Class CX, 4/25/24                              | 6                    | 5,832             |
| Washington Mutual Alternative Mortgage<br>Pass-Through Certificates, Series 2005-9, Class<br>CP, 11/25/35      | 238                  | 167,640           |
|                                                                                                                |                      | 1,593,396         |
| <b>Total Non-Agency Mortgage-Backed Securities — 2.7%</b>                                                      |                      | <b>12,609,880</b> |
| <b>US Government Sponsored Agency Securities</b>                                                               |                      |                   |
| <b>Agency Obligations — 2.4%</b>                                                                               |                      |                   |
| Federal Housing Administration:<br>General Motors Acceptance Corp. Projects,<br>Series 56, 7.43%, 11/01/22     | 131                  | 128,692           |
| Merrill Projects, Series 54, 7.43%, 5/15/23                                                                    | 2                    | 1,614             |

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|                                              |        |            |
|----------------------------------------------|--------|------------|
| Reilly Projects, Series 41, 7.43%, 3/01/20   | 143    | 141,768    |
| USGI Projects, Series 87, 7.43%, 12/01/22    | 56     | 54,625     |
| USGI Projects, Series 99, 7.43%, 6/01/21     | 3,575  | 3,498,694  |
| USGI Projects, Series 99, 7.43%, 10/01/23    | 34     | 33,539     |
| USGI Projects, Series 99, 7.43%, 10/01/23    | 101    | 99,092     |
| Resolution Funding Corp., 0.00%, 4/15/30 (d) | 13,000 | 7,149,818  |
|                                              |        | 11,107,842 |

**Collateralized Mortgage Obligations — 54.8%**

Fannie Mae Mortgage-Backed Securities:

|                                                 |        |            |
|-------------------------------------------------|--------|------------|
| Series 1991-46, Class S, 2,483.39%, 5/25/21 (a) | 59     | 3,864      |
| Series 1991-87, Class S, 26.27%, 8/25/21 (a)    | 28     | 41,079     |
| Series 1993-247, Class SN, 10.00%, 12/25/23 (a) | 221    | 264,611    |
| Series 2003-135, Class PB, 6.00%, 1/25/34       | 12,264 | 14,005,893 |
| Series 2004-31, Class ZG, 7.50%, 5/25/34        | 3,823  | 4,449,109  |
| Series 2005-73, Class DS, 17.15%, 8/25/35 (a)   | 1,643  | 2,004,227  |
| Series 2010-47, Class JB, 5.00%, 5/25/30        | 10,000 | 11,126,660 |
| Series 2011-99, Class CB, 4.50%, 10/25/41       | 43,000 | 47,569,438 |
| Series 2011-117, Class CP, 4.00%, 11/25/41      | 14,350 | 15,123,471 |
| Series 2011-142, Class PE, 3.50%, 1/25/42       | 15,567 | 15,565,526 |
| Series G-7, Class S, 1,127.03%, 3/25/21 (a)     | —(e)   | 2,285      |
| Series G-17, Class S, 1,064.87%, 6/25/21 (a)    | 127    | 2,237      |
| Series G-33, Class PV, 1,078.42%, 10/25/21      | 132    | 1,785      |
| Series G-49, Class S, 1,018.63%, 12/25/21 (a)   | —(e)   | 783        |

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

|                                                                 | <b>Par<br/>(000)</b> | <b>Value</b> |
|-----------------------------------------------------------------|----------------------|--------------|
| <b>US Government Sponsored Agency Securities</b>                |                      |              |
| <b>Collateralized Mortgage Obligations (concluded)</b>          |                      |              |
| Freddie Mac Mortgage-Backed Securities:                         |                      |              |
| Series 19, Class R, 16,321.46%, 3/15/20 (a)                     | \$ 3                 | \$ 523       |
| Series 40, Class K, 6.50%, 8/17/24                              | 211                  | 235,458      |
| Series 75, Class R, 9.50%, 1/15/21                              | —(e)                 | 1            |
| Series 75, Class RS, 43.86%, 1/15/21 (a)                        | —(e)                 | 1            |
| Series 173, Class R, 9.00%, 11/15/21                            | 8                    | 8            |
| Series 173, Class RS, 9.38%, 11/15/21 (a)                       | —(e)                 | 8            |
| Series 192, Class U, 1,009.03%, 2/15/22 (a)                     | 2                    | 31           |
| Series 1057, Class J, 1,008.00%, 3/15/21                        | 48                   | 819          |
| Series 1160, Class F, 39.51%, 10/15/21 (a)                      | 12                   | 23,981       |
| Series 2218, Class Z, 8.50%, 3/15/20 – 3/15/30                  | 3,483                | 4,133,574    |
| Series 2542, Class UC, 6.00%, 12/15/22                          | 3,743                | 4,172,680    |
| Series 2758, Class KV, 5.50%, 5/15/23                           | 7,917                | 8,574,054    |
| Series 2861, Class AX, 10.57%, 9/15/34 (a)                      | 71                   | 77,058       |
| Series 2927, Class BZ, 5.50%, 2/15/35                           | 3,400                | 3,836,032    |
| Series 3688, Class PB, 4.50%, 8/15/32                           | 10,000               | 10,963,310   |
| Series 3856, Class PB, 5.00%, 5/15/41                           | 10,000               | 11,410,870   |
| Series 4016, Class BX, 4.00%, 9/15/41                           | 15,408               | 15,772,606   |
| Series 4242, Class PA, 3.50%, 5/15/41                           | 9,745                | 10,245,112   |
| Series T-11, Class A9, 2.81%, 1/25/28 (a)                       | 1,529                | 1,595,903    |
| Ginnie Mae Mortgage-Backed Securities:                          |                      |              |
| Series 1996-5, Class Z, 7.00%, 5/16/26                          | 339                  | 383,546      |
| Series 2004-89, Class PE, 6.00%, 10/20/34                       | 1,018                | 1,057,062    |
| Series 2010-99, Class JM, 3.75%, 12/20/38                       | 19,300               | 19,935,954   |
| Series 2010-112, Class TL 4.00%, 1/20/39                        | 15,000               | 15,733,905   |
| Series 2011-80, Class PB 4.00%, 10/20/39                        | 11,489               | 12,136,612   |
| Series 2011-88, Class PY 4.00%, 6/20/41                         | 15,402               | 15,632,352   |
| Series 2012-16, Class HJ, 4.00%, 9/20/40                        | 10,000               | 10,211,530   |
|                                                                 |                      | 256,293,958  |
| <b>Interest Only Collateralized Mortgage Obligations — 5.0%</b> |                      |              |
| Fannie Mae Mortgage-Backed Securities:                          |                      |              |
| Series 7, Class 2, 8.50%, 4/01/17                               | 2                    | 238          |
| Series 89, Class 2, 8.00%, 10/01/18                             | 3                    | 361          |
| Series 94, Class 2, 9.50%, 8/01/21                              | 2                    | 347          |
| Series 1990-123, Class M, 1,009.50%, 10/25/20                   | 12                   | 210          |
| Series 1990-136, Class S, 19.92%, 11/25/20 (a)                  | 7,630                | 10,687       |
| Series 1991-99, Class L, 930.00%, 8/25/21                       | 58                   | 923          |
| Series 1991-139, Class PT, 648.35%, 10/25/21                    | 131                  | 1,622        |
| Series 1993-199, Class SB, 7.34%, 10/25/23 (a)                  | 253                  | 24,581       |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (a)                    | 201                  | 7,150        |
| Series 1997-90, Class M, 6.00%, 1/25/28                         | 2,871                | 485,719      |
| Series 1999-W4, 6.50%, 12/25/28                                 | 195                  | 39,833       |
| Series 2010-74, Class DI, 5.00%, 12/25/39                       | 14,848               | 1,716,076    |

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|                                                |        |           |
|------------------------------------------------|--------|-----------|
| Series 2011-124, Class GS, 6.54%, 3/25/37 (a)  | 18,715 | 2,938,608 |
| Series 2012-96, Class DI, 4.00%, 2/25/27       | 8,561  | 1,012,014 |
| Series 2013-45, Class EI, 4.00%, 4/25/43       | 18,201 | 3,170,710 |
| Series G-10, Class S, 1,090.31%, 5/25/21 (a)   | 319    | 8,460     |
| Series G-12, Class S, 1,157.44%, 5/25/21 (a)   | 244    | 5,536     |
| Series G92-5, Class H, 9.00%, 1/25/22          | 35     | 3,873     |
| Series G92-12, Class C, 1,016.90%, 2/25/22     | 118    | 1,613     |
| Series G92-60, Class SB, 1.60%, 10/25/22 (a)   | 134    | 5,314     |
| Freddie Mac Mortgage-Backed Securities:        |        |           |
| Series 176, Class M, 1,010.00%, 7/15/21        | 19     | 367       |
| Series 200, Class R, 197,860.47%, 12/15/22 (a) | 1      | 774       |
| Series 1043, Class H, 44.30%, 2/15/21 (a)      | 5,672  | 11,396    |
| Series 1054, Class I, 867.91%, 3/15/21 (a)     | 44     | 871       |
| Series 1056, Class KD, 1,084.50%, 3/15/21      | 32     | 628       |
| Series 1148, Class E, 1,178.57%, 10/15/21 (a)  | 95     | 1,942     |

|                                                                      | Par<br>(000) | Value      |
|----------------------------------------------------------------------|--------------|------------|
| <b>US Government Sponsored Agency Securities</b>                     |              |            |
| <b>Interest Only Collateralized Mortgage Obligations (concluded)</b> |              |            |
| Freddie Mac Mortgage-Backed Securities (concluded):                  |              |            |
| Series 2559, 0.50%, 8/15/30 (a)                                      | \$ 92        | \$ 1,294   |
| Series 2611, Class QI, 5.50%, 9/15/32                                | 1,752        | 184,964    |
| Series 3744, Class PI, 4.00%, 6/15/39                                | 15,737       | 2,609,039  |
| Series 3745, Class IN, 4.00%, 1/15/35                                | 32,787       | 3,187,996  |
| Series 4026, 4.50%, 4/15/32                                          | 5,519        | 980,765    |
| Ginnie Mae Mortgage-Backed Securities (a):                           |              |            |
| Series 2009-116, Class KS, 6.32%, 12/16/39                           | 3,372        | 579,650    |
| Series 2011-52, Class MJ, 6.50%, 4/20/41                             | 17,194       | 3,314,334  |
| Series 2011-52, Class NS, 6.52%, 4/16/41                             | 19,199       | 2,934,210  |
|                                                                      |              | 23,242,105 |

**Mortgage-Backed Securities — 87.7%**

|                                         |         |             |
|-----------------------------------------|---------|-------------|
| Fannie Mae Mortgage-Backed Securities:  |         |             |
| 3.00%, 1/01/43 (f)                      | 29,736  | 28,925,014  |
| 3.50%, 10/01/42 – 3/01/44 (f)(g)        | 36,442  | 36,975,575  |
| 4.00%, 1/01/41 – 9/01/42 (f)            | 35,073  | 36,800,250  |
| 4.50%, 8/01/25 – 3/01/44 (f)(g)         | 105,688 | 114,176,258 |
| 5.00%, 1/01/23 – 10/01/41 (f)           | 72,284  | 79,598,903  |
| 5.50%, 3/15/29 – 10/01/39 (f)(g)        | 41,460  | 45,551,812  |
| 5.97%, 8/01/16                          | 2,954   | 3,272,533   |
| 6.00%, 3/01/44 – 4/01/44 (g)            | 43,600  | 48,508,406  |
| 6.50%, 12/01/37 – 10/01/39              | 13,604  | 15,239,453  |
| 7.50%, 2/01/22                          | —(e)    | 69          |
| 9.50%, 1/01/19 – 9/01/19                | 2       | 2,045       |
| Freddie Mac Mortgage-Backed Securities: |         |             |
| 2.48%, 1/01/35 (a)                      | 187     | 189,316     |
| 2.55%, 10/01/34 (a)                     | 204     | 206,343     |
| 2.73%, 11/01/17 (a)                     | 9       | 9,876       |
| 5.00%, 2/01/22 – 4/01/22                | 388     | 422,944     |
| 9.00%, 9/01/20                          | 24      | 25,653      |
| Ginnie Mae Mortgage-Backed Securities:  |         |             |
| 7.50%, 8/15/21 – 12/15/23 (e)           | 125     | 132,730     |
| 8.00%, 10/15/22 – 8/15/27               | 55      | 59,751      |

|                          |   |             |
|--------------------------|---|-------------|
| 9.00%, 4/15/20 – 9/15/21 | 5 | 5,055       |
|                          |   | 410,101,986 |

**Principal Only Collateralized Mortgage Obligations — 0.3%**

## Fannie Mae Mortgage-Backed Securities:

|                                   |     |         |
|-----------------------------------|-----|---------|
| Series 203, Class 1, 2/01/23      | 11  | 10,982  |
| Series 228, Class 1, 6/01/23      | 9   | 8,440   |
| Series 1991-7, Class J, 2/25/21   | 7   | 7,145   |
| Series 1993-51, Class E, 2/25/23  | 38  | 35,775  |
| Series 1993-70, Class A, 5/25/23  | 5   | 5,251   |
| Series 1999-W4, 2/25/29           | 99  | 91,077  |
| Series 2002-13, Class PR, 3/25/32 | 209 | 190,716 |
| Series G93-2, Class KB, 2/25/21   | 103 | 98,908  |

## Freddie Mac Mortgage-Backed Securities:

|                                 |     |           |
|---------------------------------|-----|-----------|
| Series 1418, Class M, 11/15/22  | 40  | 37,315    |
| Series 1571, Class G, 8/15/23   | 273 | 237,612   |
| Series 1691, Class B, 3/15/24   | 519 | 499,786   |
| Series T-8, Class A10, 11/15/28 | 77  | 75,162    |
|                                 |     | 1,298,169 |

**Total US Government Sponsored Agency Securities — 150.2%**

702,044,060

**US Treasury Obligations**

## US Treasury Notes:

|                     |       |           |
|---------------------|-------|-----------|
| 1.00%, 11/30/19 (f) | 2,965 | 2,836,206 |
| 1.63%, 11/15/22     | 780   | 726,618   |
| 2.75%, 2/15/24      | 1,450 | 1,461,328 |

**Total US Treasury Obligations — 1.1%**

5,024,152

**Total Long-Term Investments****(Cost — \$727,103,628) — 155.1%**

724,724,349

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

**Short-Term Securities****Money Market Funds — 1.8%**

BlackRock Liquidity Funds, TempFund,  
 Institutional Class, 0.03% (h)(i)

| Shares    | Value        |
|-----------|--------------|
| 8,352,718 | \$ 8,352,718 |

**Par**  
**(000 )**

**Borrowed Bond Agreement — 0.1%**

Credit Suisse Securities (USA) LLC, 0.02%,  
 Open (Purchased on 9/17/13 to be  
 repurchased at \$741,693, collateralized by US  
 Treasury Bond, 2.75%, 11/15/42, par and fair  
 value of \$917,000 and \$776,011, respectively)

|        |         |
|--------|---------|
| \$ 742 | 741,624 |
|--------|---------|

**Total Short-Term Securities****(Cost — \$9,094,342) — 1.9%**

9,094,342

**Total Investments Before Borrowed Bonds  
and TBA Sale Commitments****(Cost — \$736,197,970) — 157.0%**

733,818,691

**Borrowed Bonds**

US Treasury Bond, 2.75%, 11/15/42

**Par**  
**(000)**

\$ 917

**Value**

\$ (776,011)

**Total Borrowed Bonds****(Proceeds — \$842,347) — (0.2%)**

(776,011)

**TBA Sale Commitments (g)**

Fannie Mae Mortgage-Backed  
 Securities:

4.50%, 3/01/29

5,300

(5,662,719)

5.00%, 3/01/29 – 3/01/44

13,300

(14,552,266)

6.00%, 3/01/44

21,800

(24,272,938)

**Total TBA Sale Commitments****(Proceeds — \$44,443,719) — (9.5)%**

(44,487,923)

**Total Investments, Net of Borrowed Bonds and****TBA Sale Commitments — 147.3%**

688,554,757

**Liabilities in Excess of Other Assets — (47.3)%**

(221,133,707)

**Net Assets — 100.0%**

\$ 467,421,050

**Notes to Schedule of Investments**

- (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) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.  
 (d) Zero-coupon bond.

- (e) Amount is less than \$500.
- (f) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (g) Represents or includes a TBA transaction. Unsettled TBA transactions as of February 28, 2014 were as follows:

| Counterparty                               | Value          | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------------------------------|----------------|----------------------------------------------|
| Citigroup Global Markets, Inc.             | \$4,866,000    | \$ 9,000                                     |
| Credit Suisse Securities (USA) LLC         | \$6,090,914    | \$ 9,273                                     |
| Goldman Sachs & Co.                        | \$22,711,797   | \$ 143,968                                   |
| J.P. Morgan Securities LLC                 | \$(8,139,313 ) | \$ (32,313 )                                 |
| Merrill Lynch, Pierce, Fenner & Smith Inc. | \$1,926,125    | \$ 4,156                                     |
| Morgan Stanley & Co. LLC                   | \$2,899,547    | \$ 9,808                                     |

- (h) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                           | Shares<br>Held at<br>August 31, 2013 | Net<br>Activity | Shares<br>Held at<br>February 28, 2014 | Income  |
|-------------------------------------|--------------------------------------|-----------------|----------------------------------------|---------|
| BlackRock Liquidity Funds, TempFund | 14,996,794                           | (6,644,076)     | 8,352,718                              | \$2,284 |

- (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 the investment advisor. 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 February 28, 2014 were as follows:

| Counterparty                       | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Face<br>Value | Face Value<br>Including<br>Accrued<br>Interest |
|------------------------------------|------------------|---------------|------------------|---------------|------------------------------------------------|
| BNP Paribas Securities Corp.       | 0.04%            | 2/08/13       | Open             | \$2,916,819   | \$2,917,371                                    |
| Credit Suisse Securities (USA) LLC | 0.05%            | 12/10/13      | Open             | 17,914,713    | 17,918,336                                     |
| Credit Suisse Securities (USA) LLC | 0.12%            | 2/12/14       | 3/13/14          | 177,087,937   | 177,097,382                                    |
| <b>Total</b>                       |                  |               |                  | \$197,919,469 | \$197,933,089                                  |

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (continued)

- Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts Sold | Issue                       | Exchange               | Expiration     | Notional Value | Unrealized Appreciation (Depreciation) |
|----------------|-----------------------------|------------------------|----------------|----------------|----------------------------------------|
| (27)           | 90-Day Euro-Dollar          | Chicago Mercantile     | March 2014     | \$6,734,137    | \$(10,569)                             |
| (41)           | 90-Day Euro-Dollar          | Chicago Mercantile     | June 2014      | \$10,224,888   | (34,359)                               |
| (58)           | 2-Year US Treasury Note     | Chicago Board of Trade | June 2014      | \$12,752,750   | (2,975)                                |
| (31)           | 5-Year US Treasury Note     | Chicago Board of Trade | June 2014      | \$3,715,641    | (6,137)                                |
| (540)          | 10-Year US Treasury Note    | Chicago Board of Trade | June 2014      | \$67,246,875   | (216,842)                              |
| (517)          | Long US Treasury Bond       | Chicago Board of Trade | June 2014      | \$68,793,313   | (596,730)                              |
| (152)          | Ultra Long US Treasury Bond | Chicago Board of Trade | June 2014      | \$21,826,250   | (369,951)                              |
| (41)           | 90-Day Euro-Dollar          | Chicago Mercantile     | September 2014 | \$10,222,325   | (38,728)                               |
| (41)           | 90-Day Euro-Dollar          | Chicago Mercantile     | December 2014  | \$10,217,713   | (42,045)                               |
| (41)           | 90-Day Euro-Dollar          | Chicago Mercantile     | March 2015     | \$10,208,488   | (38,634)                               |
| (12)           | 90-Day Euro-Dollar          | Chicago Mercantile     | June 2015      | \$2,983,650    | (1,973)                                |
| (12)           | 90-Day Euro-Dollar          | Chicago Mercantile     | December 2015  | \$2,971,500    | 3,577                                  |
| (12)           | 90-Day Euro-Dollar          | Chicago Mercantile     | March 2016     | \$2,964,000    | 7,102                                  |
| <b>Total</b>   |                             |                        |                |                | <b>\$(1,348,264)</b>                   |

- Centrally cleared interest rate swaps outstanding as of February 28, 2014 were as follows:

| Fixed Rate         | Floating Rate | Clearinghouse      | Expiration Date | Notional Amount (000) | Unrealized Appreciation |
|--------------------|---------------|--------------------|-----------------|-----------------------|-------------------------|
| 0.46% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | 6/11/15         | \$ 100                | \$215                   |

- OTC interest rate swaps outstanding as of February 28, 2014 were as follows:

| Fixed Rate      | Floating Rate | Counterparty             | Expiration Date | Notional Amount (000) | Market Value         | Premiums Received  | Unrealized Appreciation (Depreciation) |
|-----------------|---------------|--------------------------|-----------------|-----------------------|----------------------|--------------------|----------------------------------------|
| 8% <sup>1</sup> | 3-month LIBOR | UBS AG                   | 3/21/15         | \$25,000              | \$1,205,152          | —                  | \$1,205,152                            |
| 7% <sup>1</sup> | 3-month LIBOR | Goldman Sachs Bank USA   | 1/25/16         | \$5,500               | 461,612              | —                  | 461,612                                |
| 1% <sup>1</sup> | 3-month LIBOR | Citibank N.A.            | 2/06/16         | \$20,000              | 916,650              | —                  | 916,650                                |
| 2% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase Bank N.A. | 7/14/16         | \$5,400               | 654,429              | —                  | 654,429                                |
| 1% <sup>2</sup> | 3-month LIBOR | Deutsche Bank AG         | 10/01/18        | \$60,000              | (7,721,082)          | —                  | (7,721,082)                            |
| 3% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase Bank N.A. | 3/28/21         | \$6,000               | 481,625              | \$(197,887)        | 679,512                                |
| 1% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase Bank N.A. | 8/15/22         | \$9,565               | 2,166,359            | —                  | 2,166,359                              |
| <b>Total</b>    |               |                          |                 |                       | <b>\$(1,835,255)</b> | <b>\$(197,887)</b> | <b>\$(1,637,366)</b>                   |

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

<sup>2</sup> Trust pays the fixed interest 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 or liabilities that the Trust has the ability to access
- 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)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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, please refer to Note 2 of the Notes to Financial Statements.

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (concluded)

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                                  | Level 1        | Level 2        | Level 3      | Total          |
|--------------------------------------------------|----------------|----------------|--------------|----------------|
| <b>Assets:</b>                                   |                |                |              |                |
| Investments:                                     |                |                |              |                |
| Long-Term Investments:                           |                |                |              |                |
| Asset-Backed Securities                          | —              | \$ 4,385,441   | \$ 660,816   | \$ 5,046,257   |
| Non-Agency<br>Mortgage-Backed Securities         | —              | 9,940,122      | 2,669,758    | 12,609,880     |
| US Government Sponsored<br>Agency Securities     | —              | 698,084,721    | 3,959,339    | 702,044,060    |
| US Treasury Obligations                          | —              | 5,024,152      | —            | 5,024,152      |
| Short-Term Securities:                           |                |                |              |                |
| Borrowed Bond Agreement                          | —              | 741,624        | —            | 741,624        |
| Money Market Funds                               | \$ 8,352,718   | —              | —            | 8,352,718      |
| <b>Liabilities:</b>                              |                |                |              |                |
| Investments:                                     |                |                |              |                |
| Borrowed Bonds                                   | —              | (776,011)      | —            | (776,011)      |
| TBA Sale Commitments                             | —              | (44,487,923)   | —            | (44,487,923)   |
| <b>Total</b>                                     | \$ 8,352,718   | \$ 672,912,126 | \$ 7,289,913 | \$ 688,554,757 |
|                                                  | Level 1        | Level 2        | Level 3      | Total          |
| Derivative Financial<br>Instruments <sup>1</sup> |                |                |              |                |
| <b>Assets:</b>                                   |                |                |              |                |
| Interest rate contracts                          | \$ 10,679      | \$ 6,083,929   | —            | \$ 6,094,608   |
| <b>Liabilities:</b>                              |                |                |              |                |
| Interest rate contracts                          | (1,358,943)    | (7,721,082)    | —            | (9,080,025)    |
| <b>Total</b>                                     | \$ (1,348,264) | \$ (1,637,153) | —            | \$ (2,985,417) |

<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.

The carrying amount or face value including accrued interest for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                                      | Level 1      | Level 2 | Level 3 | Total        |
|------------------------------------------------------|--------------|---------|---------|--------------|
| <b>Assets:</b>                                       |              |         |         |              |
| Cash pledged as<br>collateral for OTC<br>derivatives | \$ 8,500,000 | —       | —       | \$ 8,500,000 |
| Cash pledged for<br>financial futures contracts      | 2,897,000    | —       | —       | 2,897,000    |

|                                                 |              |                  |   |                 |
|-------------------------------------------------|--------------|------------------|---|-----------------|
| Cash pledged for centrally cleared swaps        | 10,000       | —                | — | 10,000          |
| <b>Liabilities:</b>                             |              |                  |   |                 |
| Bank overdraft                                  | —            | \$ (5,911)       | — | (5,911)         |
| Cash received as collateral for OTC derivatives | —            | (4,520,000)      | — | (4,520,000)     |
| Reverse repurchase agreements                   | —            | (197,933,089)    | — | (197,933,089)   |
| <b>Total</b>                                    | \$11,407,000 | \$ (202,459,000) | — | \$(191,052,000) |

There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2014.

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

|                                                                                                                | Asset-Backed Securities | Non-Agency Mortgage-Backed Securities | US Government Sponsored Agency Securities | Total        |
|----------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|-------------------------------------------|--------------|
| <b>Assets:</b>                                                                                                 |                         |                                       |                                           |              |
| Beginning Balance, as of August 31, 2013                                                                       | \$ 695,051              | \$2,808,305                           | \$ 7,314,558                              | \$10,817,914 |
| Transfers into Level 3                                                                                         | —                       | —                                     | —                                         | —            |
| Transfers out of Level 3                                                                                       | —                       | —                                     | (3,143,245)                               | (3,143,245)  |
| Accrued discounts/premiums                                                                                     | (180,052)               | —                                     | (6,600)                                   | (186,652)    |
| Net realized gain (loss)                                                                                       | —                       | 10                                    | (6,825)                                   | (6,815)      |
| Net change in unrealized appreciation/depreciation <sup>1,2</sup>                                              | 145,817                 | (138,547)                             | 17,499                                    | 24,769       |
| Purchases                                                                                                      | —                       | —                                     | —                                         | —            |
| Sales                                                                                                          | —                       | (10)                                  | (216,048)                                 | (216,058)    |
| <b>Ending Balance, as of February 28, 2014</b>                                                                 | \$ 660,816              | \$2,669,758                           | \$ 3,959,339                              | \$ 7,289,913 |
| Net change in unrealized appreciation/depreciation on investments still held at February 28, 2014 <sup>2</sup> | \$ 145,817              | \$ (138,547)                          | \$ 17,499                                 | \$ 24,769    |

<sup>1</sup>Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

<sup>2</sup>Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at February 28, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

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

See Notes to Financial Statements.

## Statements of Assets and Liabilities

| February 28, 2014 (Unaudited)                                  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund, Inc.<br>(HYT)* | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Income<br>Trust, Inc.<br>(BKT) |
|----------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------|
| <b>Assets</b>                                                  |                                          |                                                              |                                                            |                                             |
| Investments at value – unaffiliated <sup>1</sup>               | \$ 563,996,912                           | \$2,354,114,568                                              | \$ 571,292,930                                             | \$ 725,465,000                              |
| Investments at value – affiliated <sup>2</sup>                 | 3,061,475                                | 157,213                                                      | 4,630,425                                                  | 8,352,000                                   |
| Cash                                                           | 119,353                                  | 62,798                                                       | 127,578                                                    |                                             |
| Cash pledged for financial futures contracts                   | 532,000                                  | 5,330,000                                                    | 682,000                                                    | 2,897,000                                   |
| Cash pledged as collateral for reverse repurchase agreements   | 4,800,000                                |                                                              | 5,935,255                                                  |                                             |
| Cash pledged as collateral for OTC derivatives                 | 1,400,000                                | 3,595,000                                                    | 1,290,000                                                  | 8,500,000                                   |
| Cash pledged for centrally cleared swaps                       | 1,475,000                                |                                                              | 1,475,000                                                  | 10,000,000                                  |
| Interest receivable                                            | 6,396,135                                | 34,066,361                                                   | 6,509,200                                                  | 2,704,000                                   |
| TBA sale commitments receivable                                |                                          |                                                              |                                                            | 44,443,000                                  |
| Investments sold receivable                                    | 736,295                                  | 25,819,724                                                   | 909,920                                                    | 92,000                                      |
| Unrealized appreciation on OTC derivatives                     | 209,268                                  | 3,316,221                                                    | 210,871                                                    | 6,083,000                                   |
| Dividends receivable                                           | 1,221                                    | 121,750                                                      | 3,521                                                      |                                             |
| Swaps receivable                                               | 12,846                                   | 558,745                                                      | 12,896                                                     | 783,000                                     |
| Swap premiums paid                                             |                                          | 387,992                                                      | 91,734                                                     |                                             |
| Variation margin receivable on financial futures contracts     | 88,013                                   |                                                              | 98,437                                                     | 148,000                                     |
| Options written receivable                                     | 145,800                                  |                                                              | 145,800                                                    |                                             |
| Unrealized appreciation on foreign currency exchange contracts |                                          | 233,228                                                      |                                                            |                                             |
| Principal paydown receivable                                   | 8,373                                    |                                                              | 8,373                                                      | 85,000                                      |
| Foreign currency at value <sup>3</sup>                         | 9,163                                    | 37,034                                                       | 10,410                                                     |                                             |
| Variation margin receivable on centrally cleared swaps         | 50,672                                   |                                                              | 54,495                                                     |                                             |
| Prepaid expenses                                               | 23,580                                   | 93,011                                                       | 22,121                                                     | 32,000                                      |
| Other assets                                                   | 55,953                                   |                                                              |                                                            |                                             |
| Total assets                                                   | 583,122,059                              | 2,427,893,645                                                | 593,510,966                                                | 799,600,000                                 |
| <b>Liabilities</b>                                             |                                          |                                                              |                                                            |                                             |
| Bank overdraft                                                 |                                          |                                                              |                                                            | 5,000                                       |
| Cash received as collateral for OTC derivatives                |                                          | 2,700,000                                                    |                                                            | 4,520,000                                   |
| Borrowed bonds at value <sup>4</sup>                           |                                          |                                                              |                                                            | 776,000                                     |
| Options written at value <sup>5</sup>                          | 1,755,992                                |                                                              | 1,762,070                                                  |                                             |

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|                                                                |                       |                        |                       |                   |
|----------------------------------------------------------------|-----------------------|------------------------|-----------------------|-------------------|
| Bank borrowings payable                                        |                       | 686,000,000            |                       |                   |
| Reverse repurchase agreements                                  | 166,332,986           |                        | 178,516,685           | 197,933           |
| Investments purchased payable                                  | 16,376,188            | 22,148,400             | 16,376,188            | 74,777            |
| TBA sale commitments at value <sup>6</sup>                     |                       |                        |                       | 44,487            |
| Unrealized depreciation on OTC derivatives                     | 188,743               | 2,763,107              | 188,705               | 7,721             |
| Swap premiums received                                         | 63,782                | 7,954,213              | 156,743               | 197               |
| Unrealized depreciation on foreign currency exchange contracts | 286,809               | 3,408,819              | 312,478               |                   |
| Investment advisory fees payable                               | 223,842               | 1,092,131              | 179,059               | 232               |
| Swaps payable                                                  | 134,755               | 12,152                 | 135,190               | 1,120             |
| Interest expense payable                                       |                       | 563,987                |                       |                   |
| Officers and Directors fees payable                            | 61,557                | 334,751                | 120,359               | 132               |
| Income dividends payable                                       | 49,169                | 156,683                | 51,449                | 85                |
| Variation margin payable on financial futures contracts        |                       | 165,366                |                       |                   |
| Administration fees payable                                    |                       |                        | 29,925                | 53                |
| Reorganization costs payable                                   |                       | 320,621                |                       |                   |
| Other accrued expenses payable                                 | 129,449               | 276,612                | 124,128               | 134               |
| Total liabilities                                              | 185,603,272           | 727,896,842            | 197,952,979           | 332,179           |
| <b>Net Assets</b>                                              | <b>\$ 397,518,787</b> | <b>\$1,699,996,803</b> | <b>\$ 395,557,987</b> | <b>\$ 467,421</b> |
| <sup>1</sup> Investments at cost – unaffiliated                | \$ 540,159,323        | \$2,261,062,174        | \$ 547,543,312        | \$ 727,845        |
| <sup>2</sup> Investments at cost – affiliated                  | \$ 3,061,475          | \$ 157,213             | \$ 4,630,425          | \$ 8,352          |
| <sup>3</sup> Foreign currency at cost                          | \$ 11,542             | \$ 35,579              | \$ 14,054             |                   |
| <sup>4</sup> Proceeds received from borrowed bonds             |                       |                        |                       | \$ 842            |
| <sup>5</sup> Premiums received                                 | \$ 2,380,530          |                        | \$ 2,390,029          |                   |
| <sup>6</sup> Proceeds from TBA sale commitments                |                       |                        |                       | \$ 44,443         |

See Notes to Financial Statements.

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## Statements of Assets and Liabilities (concluded)

| February 28, 2014 (Unaudited)                                    | <b>BlackRock<br/>Core Bond<br/>Trust<br/>(BHK)</b> | <b>BlackRock<br/>Corporate<br/>High Yield<br/>Fund, Inc.<br/>(HYT)*</b> | <b>BlackRock<br/>Income<br/>Opportunity<br/>Trust, Inc.<br/>(BNA)</b> | <b>BlackRock<br/>Income<br/>Trust, Inc.<br/>(BKT)</b> |
|------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------|
| <b>Net Assets Consist of</b>                                     |                                                    |                                                                         |                                                                       |                                                       |
| Paid-in capital <sup>7,8,9</sup>                                 | \$ 378,960,758                                     | \$1,815,651,258                                                         | \$ 385,546,646                                                        | \$ 478,542,000                                        |
| Undistributed (distributions in excess of) net investment income | 4,892,703                                          | (2,711,129)                                                             | 4,726,878                                                             | 7,891,000                                             |
| Accumulated net realized loss                                    | (10,604,117)                                       | (200,187,446)                                                           | (18,883,098)                                                          | (13,669,000)                                          |
| Net unrealized appreciation/depreciation                         | 24,269,443                                         | 87,244,120                                                              | 24,167,561                                                            | (5,342,000)                                           |
| <b>Net Assets</b>                                                | <b>\$ 397,518,787</b>                              | <b>\$1,699,996,803</b>                                                  | <b>\$ 395,557,987</b>                                                 | <b>\$ 467,422,000</b>                                 |
| Net asset value per share                                        | \$ 14.70                                           | \$ 13.43                                                                | \$ 11.48                                                              | \$ 11.48                                              |
| <sup>7</sup> Par value                                           | \$ 0.001                                           | \$ 0.100                                                                | \$ 0.010                                                              | \$ 0.010                                              |
| <sup>8</sup> Shares outstanding                                  | 27,041,847                                         | 126,599,668                                                             | 34,456,370                                                            | 63,942,000                                            |
| <sup>9</sup> Shares authorized                                   | unlimited                                          | 200 million                                                             | 200 million                                                           | 200 million                                           |

\*Consolidated Statement of Assets and Liabilities.

See Notes to Financial Statements.

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## Statements of Operations

| <b>Six Months Ended February 28, 2014 (Unaudited)</b>  | <b>BlackRock<br/>Core Bond<br/>Trust<br/>(BHK)</b> | <b>BlackRock<br/>Corporate<br/>High Yield<br/>Fund, Inc.<br/>(HYT)<sup>1</sup></b> | <b>BlackRock<br/>Income<br/>Opportunity<br/>Trust, Inc.<br/>(BNA)</b> |
|--------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Investment Income</b>                               |                                                    |                                                                                    |                                                                       |
| Interest                                               | \$ 13,689,533                                      | \$ 48,048,425                                                                      | \$ 13,555,925                                                         |
| Dividends – unaffiliated                               | 145,346                                            | 466,798                                                                            | 147,646                                                               |
| Dividends – affiliated                                 | 1,205                                              | 634                                                                                | 921                                                                   |
| Total income                                           | 13,836,084                                         | 48,515,857                                                                         | 13,704,492                                                            |
| <b>Expenses</b>                                        |                                                    |                                                                                    |                                                                       |
| Investment advisory                                    | 1,526,528                                          | 4,981,784                                                                          | 1,138,930                                                             |
| Administration                                         |                                                    |                                                                                    | 189,822                                                               |
| Professional                                           | 56,460                                             | 116,407                                                                            | 47,213                                                                |
| Transfer agent                                         | 28,787                                             | 105,334                                                                            | 30,613                                                                |
| Custodian                                              | 24,526                                             | 98,116                                                                             | 25,246                                                                |
| Accounting services                                    | 28,969                                             | 70,728                                                                             | 28,894                                                                |
| Officer and Trustees                                   | 24,604                                             | 76,219                                                                             | 26,266                                                                |
| Reorganization                                         |                                                    | 147,466                                                                            |                                                                       |
| Printing                                               | 12,619                                             | 28,816                                                                             | 12,506                                                                |
| Registration                                           | 4,263                                              | 5,681                                                                              | 5,406                                                                 |
| Miscellaneous                                          | 43,230                                             | 112,579                                                                            | 39,944                                                                |
| Total expenses excluding interest expense              | 1,749,986                                          | 5,743,130                                                                          | 1,544,840                                                             |
| Interest expense                                       | 209,375                                            | 2,194,447                                                                          | 215,714                                                               |
| Total expenses                                         | 1,959,361                                          | 7,937,577                                                                          | 1,760,554                                                             |
| Less fees waived by Manager                            | (85,390)                                           | (700)                                                                              | (1,733)                                                               |
| Total expenses after fees waived                       | 1,873,971                                          | 7,936,877                                                                          | 1,758,821                                                             |
| Net investment income                                  | 11,962,113                                         | 40,578,980                                                                         | 11,945,671                                                            |
| <b>Realized and Unrealized Gain (Loss)</b>             |                                                    |                                                                                    |                                                                       |
| Net realized gain (loss) from:                         |                                                    |                                                                                    |                                                                       |
| Investments                                            | 2,066,984                                          | 26,511,720                                                                         | 2,004,916                                                             |
| Financial futures contracts                            | (666,471)                                          | 2,036,519                                                                          | (787,698)                                                             |
| Foreign currency transactions                          | (689,081)                                          | (854,417)                                                                          | (789,811)                                                             |
| Options written                                        | 76,043                                             | 432,862                                                                            | 76,274                                                                |
| Swaps                                                  | (124,386)                                          | 1,474,631                                                                          | (68,125)                                                              |
|                                                        | 663,089                                            | 29,601,315                                                                         | 435,556                                                               |
| Net change in unrealized appreciation/depreciation on: |                                                    |                                                                                    |                                                                       |
| Investments                                            | 16,869,382                                         | 53,159,881                                                                         | 17,314,413                                                            |
| Financial futures contracts                            | 157,262                                            | (3,022,832)                                                                        | 175,650                                                               |
| Foreign currency translations                          | (211,612)                                          | (3,429,192)                                                                        | (190,277)                                                             |
| Options written                                        | 1,155,230                                          | 24,288                                                                             | 1,161,595                                                             |
| Swaps                                                  | (739,323)                                          | (149,281)                                                                          | (788,894)                                                             |
| Borrowed bonds                                         |                                                    |                                                                                    |                                                                       |
| Unfunded loan commitments                              |                                                    | (12,443)                                                                           |                                                                       |
|                                                        | 17,230,939                                         | 46,570,421                                                                         | 17,672,487                                                            |

|                                                             |                      |                      |                      |
|-------------------------------------------------------------|----------------------|----------------------|----------------------|
| Total realized and unrealized gain                          | 17,894,028           | 76,171,736           | 18,108,043           |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 29,856,141</b> | <b>\$116,750,716</b> | <b>\$ 30,053,714</b> |

<sup>1</sup> Consolidated Statement of Operations.  
See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|                                                                 | <b>BlackRock<br/>Core Bond Trust (BHK)</b>                            |                                           |
|-----------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------|
|                                                                 | <b>Six Months<br/>Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets:</b>                       |                                                                       |                                           |
| <b>Operations</b>                                               |                                                                       |                                           |
| Net investment income                                           | \$ 11,962,113                                                         | \$ 24,077,362                             |
| Net realized gain                                               | 663,089                                                               | 1,698,305                                 |
| Net change in unrealized appreciation/depreciation              | 17,230,939                                                            | (31,803,836)                              |
| Net increase (decrease) in net assets resulting from operations | 29,856,141                                                            | (6,028,169)                               |
| <b>Dividends to Shareholders From</b>                           |                                                                       |                                           |
| Net investment income                                           | (12,249,957)                                                          | (25,416,860) <sup>1</sup>                 |
| <b>Capital Share Transactions</b>                               |                                                                       |                                           |
| Reinvestment of dividends                                       |                                                                       | 221,789                                   |
| <b>Net Assets</b>                                               |                                                                       |                                           |
| Total increase (decrease) in net assets                         | 17,606,184                                                            | (31,223,240)                              |
| Beginning of period                                             | 379,912,603                                                           | 411,135,843                               |
| End of period                                                   | \$ 397,518,787                                                        | \$ 379,912,603                            |
| Undistributed net investment income, end of period              | \$ 4,892,703                                                          | \$ 5,180,547                              |
| Consolidated Statements of Changes in Net Assets                |                                                                       |                                           |

|                                                      | <b>BlackRock Corporate<br/>High Yield Fund Inc. (HYT)</b>             |                                           |
|------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------|
|                                                      | <b>Six Months<br/>Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets:</b>            |                                                                       |                                           |
| <b>Operations</b>                                    |                                                                       |                                           |
| Net investment income                                | \$ 40,578,980                                                         | \$ 35,346,627                             |
| Net realized gain                                    | 29,601,315                                                            | 23,080,390                                |
| Net change in unrealized appreciation/depreciation   | 46,570,421                                                            | (8,840,108)                               |
| Net increase in net assets resulting from operations | 116,750,716                                                           | 49,586,909                                |
| <b>Dividends to Shareholders From</b>                |                                                                       |                                           |
| Net investment income                                | (41,943,075)                                                          | (39,195,248) <sup>1</sup>                 |
| <b>Capital Share Transactions</b>                    |                                                                       |                                           |
|                                                      | 1,178,342,562                                                         |                                           |

|                                                                    |               |         |
|--------------------------------------------------------------------|---------------|---------|
| Net proceeds from the issuance of shares due to reorganization     |               |         |
| Reinvestment of dividends                                          |               | 499,916 |
| Net increase in net assets derived from capital share transactions | 1,178,342,562 | 499,916 |

**Net Assets**

|                                                                                 |                  |                |
|---------------------------------------------------------------------------------|------------------|----------------|
| Total increase in net assets                                                    | 1,253,150,203    | 10,891,577     |
| Beginning of period                                                             | 446,846,600      | 435,955,023    |
| End of period                                                                   | \$ 1,699,996,803 | \$ 446,846,600 |
| Undistributed (distributions in excess of) net investment income, end of period | \$ (2,711,129)   | \$ 3,902,307   |

<sup>1</sup> Determined in accordance with federal income tax regulations.  
See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|                                                                 | <b>BlackRock Income<br/>Opportunity Trust, Inc. (BNA)</b>             |                                           |
|-----------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------|
|                                                                 | <b>Six Months<br/>Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets:</b>                       |                                                                       |                                           |
| <b>Operations</b>                                               |                                                                       |                                           |
| Net investment income                                           | \$ 11,945,671                                                         | \$ 23,559,363                             |
| Net realized gain                                               | 435,556                                                               | 3,918,608                                 |
| Net change in unrealized appreciation/depreciation              | 17,672,487                                                            | (34,000,708)                              |
| Net increase (decrease) in net assets resulting from operations | 30,053,714                                                            | (6,522,737)                               |
| <b>Dividends to Shareholders From</b>                           |                                                                       |                                           |
| Net investment income                                           | (12,300,925)                                                          | (23,740,439) <sup>1</sup>                 |
| <b>Net Assets</b>                                               |                                                                       |                                           |
| Total increase (decrease) in net assets                         | 17,752,789                                                            | (30,263,176)                              |
| Beginning of period                                             | 377,805,198                                                           | 408,068,374                               |
| End of period                                                   | \$ 395,557,987                                                        | \$ 377,805,198                            |
| Undistributed net investment income, end of period              | \$ 4,726,878                                                          | \$ 5,082,132                              |
|                                                                 | <b>BlackRock<br/>Income Trust, Inc. (BKT)</b>                         |                                           |
|                                                                 | <b>Six Months<br/>Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets:</b>                       |                                                                       |                                           |
| <b>Operations</b>                                               |                                                                       |                                           |
| Net investment income                                           | \$ 11,210,511                                                         | \$ 20,368,194                             |
| Net realized gain (loss)                                        | (1,635,810)                                                           | 516,801                                   |
| Net change in unrealized appreciation/depreciation              | 4,093,554                                                             | (30,160,300)                              |
| Net increase (decrease) in net assets resulting from operations | 13,668,255                                                            | (9,275,305)                               |
| <b>Dividends to Shareholders From</b>                           |                                                                       |                                           |
| Net investment income                                           | (14,195,244)                                                          | (30,628,476) <sup>1</sup>                 |
| <b>Net Assets</b>                                               |                                                                       |                                           |
| Total decrease in net assets                                    | (526,989)                                                             | (39,903,781)                              |
| Beginning of period                                             | 467,948,039                                                           | 507,851,820                               |
| End of period                                                   | \$ 467,421,050                                                        | \$ 467,948,039                            |
| Undistributed net investment income, end of period              | \$ 7,891,132                                                          | \$ 10,875,865                             |

<sup>1</sup> Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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## Statements of Cash Flows

|                                                                                                                                        | <b>BlackRock<br/>Core Bond<br/>Trust<br/>(BHK)</b> | <b>BlackRock<br/>Corporate<br/>High Yield<br/>Fund, Inc.<br/>(HYT)<sup>1</sup></b> | <b>BlackRock<br/>Income<br/>Opportunity<br/>Trust, L.P.<br/>(BNA)</b> |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Six Months Ended February 28, 2014 (Unaudited)</b>                                                                                  |                                                    |                                                                                    |                                                                       |
| <b>Cash Provided by Operating Activities</b>                                                                                           |                                                    |                                                                                    |                                                                       |
| Net increase in net assets resulting from operations                                                                                   | \$ 29,856,141                                      | \$ 116,750,716                                                                     | \$ 30,053,000                                                         |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities: |                                                    |                                                                                    |                                                                       |
| (Increase) decrease in interest receivable                                                                                             | 25,140                                             | (1,568,807) <sup>2</sup>                                                           | (237,000)                                                             |
| (Increase) decrease in swaps receivable                                                                                                | 355                                                | (431,702)                                                                          | (96,000)                                                              |
| (Increase) decrease in other assets                                                                                                    | (26,575)                                           |                                                                                    | 96,000                                                                |
| Increase in prepaid expenses                                                                                                           | (10,951)                                           | (83,861) <sup>2</sup>                                                              | (9,000)                                                               |
| (Increase) decrease in dividends receivable                                                                                            | (1,221)                                            | 30,438 <sup>2</sup>                                                                | (3,000)                                                               |
| (Increase) decrease in variation margin receivable on financial futures contracts                                                      | 99,758                                             | 2,015                                                                              | 100,000                                                               |
| Increase in variation margin receivable on centrally cleared swaps                                                                     | (37,904)                                           |                                                                                    | (41,000)                                                              |
| Increase in cash pledged for financial futures contracts                                                                               | (245,000)                                          | (4,584,000) <sup>2</sup>                                                           | (229,000)                                                             |
| Increase in cash pledged for centrally cleared swaps                                                                                   | (1,055,000)                                        |                                                                                    | (1,055,000)                                                           |
| Increase in cash pledged for OTC derivatives                                                                                           | (710,000)                                          | (2,395,000)                                                                        | (720,000)                                                             |
| Increase (decrease) in cash received for OTC derivatives                                                                               | (1,400,000)                                        | 200,000 <sup>2</sup>                                                               | (1,500,000)                                                           |
| Decrease in cash pledged for reverse repurchase agreements                                                                             | 347,000                                            |                                                                                    | 1,987,000                                                             |
| (Increase) decrease in swaps premiums paid                                                                                             | 112,245                                            | (289,235) <sup>2</sup>                                                             | 20,000                                                                |
| Decrease in investment advisory fees payable                                                                                           | (21,123)                                           | (619,840) <sup>2</sup>                                                             | (13,000)                                                              |
| Increase (decrease) in interest expense payable                                                                                        | 25,701                                             | (182,051) <sup>2</sup>                                                             | 87,000                                                                |
| Decrease in other accrued expenses payable                                                                                             | (27,040)                                           | (439,049) <sup>2</sup>                                                             | (29,000)                                                              |
| Increase (decrease) in variation margin payable on financial futures contracts                                                         |                                                    | 165,366 <sup>2</sup>                                                               |                                                                       |
| Decrease in variation margin payable on centrally cleared swaps                                                                        |                                                    |                                                                                    |                                                                       |
| Increase (decrease) in swaps payable                                                                                                   | 97,013                                             | 8,950                                                                              | 96,000                                                                |
| Increase in Officer's and Trustees' fees payable                                                                                       | 6,372                                              | 204,172 <sup>2</sup>                                                               | 16,000                                                                |
| Decrease in other liabilities                                                                                                          | (240,760)                                          |                                                                                    | (879,000)                                                             |
| Decrease in reorganization costs payable                                                                                               |                                                    | (137,332) <sup>2</sup>                                                             |                                                                       |
| Decrease in administration fees payable                                                                                                |                                                    |                                                                                    | (2,000)                                                               |
| Increase (decrease) in swaps premiums received                                                                                         | (115,168)                                          | 2,374,970 <sup>2</sup>                                                             | (23,000)                                                              |
| Net realized loss on investments                                                                                                       | (1,260,701)                                        | (23,285,386)                                                                       | (1,367,000)                                                           |
| Net unrealized gain (loss) on investments, futures, swaps and foreign currency translation                                             | (17,388,158)                                       | (49,593,253)                                                                       | (17,908,000)                                                          |
| Amortization of premium and accretion of discount on investments                                                                       | 1,657,356                                          | 784,121                                                                            | 1,787,000                                                             |
| Premiums received from options written                                                                                                 | 2,819,741                                          | 432,862                                                                            | 2,833,000                                                             |
|                                                                                                                                        | 227,443,412                                        | 476,420,531 <sup>2</sup>                                                           | 218,619,000                                                           |

|                                                                     |               |                            |               |
|---------------------------------------------------------------------|---------------|----------------------------|---------------|
| Proceeds from sales and principal paydowns of long-term investments |               |                            |               |
| Purchases of long-term investments                                  | (222,187,897) | (462,592,636) <sup>2</sup> | (226,482,000) |
| Net proceeds from sales of short-term securities                    | 2,274,016     | 15,508,289 <sup>2</sup>    | 2,274,016     |
| Premiums paid on closing options written                            | (1,311,041)   |                            | (1,311,041)   |
| Cash provided by operating activities                               | 18,725,711    | 66,680,278                 | 6,154,000     |
| <b>Cash Used for Financing Activities</b>                           |               |                            |               |
| Proceeds from bank borrowings                                       |               | 234,000,000                |               |
| Payments on bank borrowings                                         |               | (261,000,000)              |               |
| Net borrowing of reverse repurchase agreements                      | (6,230,076)   |                            | 6,222,000     |
| Cash dividends paid to shareholders                                 | (12,259,069)  | (42,237,567)               | (12,306,000)  |
| Decrease in bank overdraft                                          | (157,427)     |                            |               |
| Cash used for financing activities                                  | (18,646,572)  | (69,237,567)               | (6,084,000)   |
| <b>Cash Impact from Foreign Exchange Fluctuations</b>               |               |                            |               |
| Cash impact from foreign exchange fluctuations                      | (3,408)       | (812)                      | (4,000)       |
| <b>Cash and Foreign Currency</b>                                    |               |                            |               |
| Net increase (decrease) in cash and foreign currency                | 75,731        | (2,558,101)                | 65,000        |
| Cash and foreign currency at beginning of period                    | 52,785        | 2,657,933 <sup>2</sup>     | 72,000        |
| Cash and foreign currency at end of period                          | \$ 128,516    | \$ 99,832                  | \$ 137,000    |
| <b>Supplemental Disclosure of Cash Flow Information</b>             |               |                            |               |
| Cash paid during the period for interest                            | \$ 183,674    | \$ 2,376,498               | \$ 128,000    |
| <b>Non-Cash Financing Activities</b>                                |               |                            |               |
| Fair value of investments acquired through reorganization           |               | \$1,691,534,575            |               |
| Capital shares issued in reorganization                             |               | \$1,178,342,562            |               |

<sup>1</sup> Consolidated Statement of Cash Flows.

<sup>2</sup> Includes assets and liabilities acquired in reorganization.  
See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Core Bond Trust (BHK)

|                                                    | Six Months<br>Ended<br>February 28,<br>2014<br>(Unaudited) | Year Ended August 31, |                     |                     |                     |    |
|----------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|----|
|                                                    |                                                            | 2013                  | 2012                | 2011                | 2010                |    |
| <b>Per Share Operating Performance</b>             |                                                            |                       |                     |                     |                     |    |
| Net asset value, beginning of period               | \$ 14.05                                                   | \$ 15.21              | \$ 13.78            | \$ 14.19            | \$ 12.56            | \$ |
| Net investment income <sup>1</sup>                 | 0.44                                                       | 0.89                  | 0.88                | 0.83                | 0.87                |    |
| Net realized and unrealized gain (loss)            | 0.66                                                       | (1.11)                | 1.37                | (0.36)              | 1.76                |    |
| Net increase (decrease) from investment operations | 1.10                                                       | (0.22)                | 2.25                | 0.47                | 2.63                |    |
| Dividends from net investment income               | (0.45)                                                     | (0.94) <sup>2</sup>   | (0.82) <sup>2</sup> | (0.88) <sup>2</sup> | (1.00) <sup>2</sup> |    |
| Net asset value, end of period                     | \$ 14.70                                                   | \$ 14.05              | \$ 15.21            | \$ 13.78            | \$ 14.19            | \$ |
| Market price, end of period                        | \$ 13.38                                                   | \$ 12.50              | \$ 15.41            | \$ 12.69            | \$ 13.92            | \$ |
| <b>Total Investment Return<sup>3</sup></b>         |                                                            |                       |                     |                     |                     |    |
| Based on net asset value                           | 8.32% <sup>4</sup>                                         | (1.42)%               | 17.06%              | 4.02%               | 22.44%              |    |
| Based on market price                              | 10.82% <sup>4</sup>                                        | (13.43)%              | 28.78%              | (2.35)%             | 25.93%              |    |
| <b>Ratios to Average Net Assets</b>                |                                                            |                       |                     |                     |                     |    |
| Total expenses                                     | 1.03% <sup>5</sup>                                         | 1.03%                 | 0.95%               | 1.02%               | 1.18%               |    |
| Total expenses                                     | 0.98% <sup>5</sup>                                         | 0.98%                 | 0.94%               | 1.02%               | 1.18%               |    |

|                                                                                                                                                                  |                    |       |       |       |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|-------|-------|-------|
| after fees<br>waived and<br>paid<br>indirectly<br>Total<br>expenses<br>after fees<br>waived and<br>paid<br>indirectly<br>and<br>excluding<br>interest<br>expense | 0.87% <sup>5</sup> | 0.86% | 0.86% | 0.93% | 0.95% |
| Net<br>investment<br>income                                                                                                                                      | 6.27% <sup>5</sup> | 5.92% | 6.13% | 6.05% | 6.62% |

**Supplemental Data**

|                                                                     |                  |                   |                   |                   |                    |    |
|---------------------------------------------------------------------|------------------|-------------------|-------------------|-------------------|--------------------|----|
| Net assets,<br>end of<br>period (000)                               | \$ 397,519       | \$ 379,913        | \$ 411,136        | \$ 372,295        | \$ 383,540         | \$ |
| Borrowings<br>outstanding,<br>end of<br>period (000)                | \$ 166,096       | \$ 172,537        | \$ 182,679        | \$ 152,301        | \$ 168,938         | \$ |
| Average<br>borrowings<br>outstanding,<br>during the<br>period (000) | \$ 174,822       | \$ 187,038        | \$ 143,234        | \$ 151,080        | \$ 162,760         | \$ |
| Portfolio<br>turnover                                               | 40% <sup>6</sup> | 100% <sup>7</sup> | 290% <sup>8</sup> | 824% <sup>9</sup> | 641% <sup>10</sup> |    |
| Asset<br>coverage,<br>end of<br>period per<br>\$1,000               | \$ 3,393         | \$ 3,202          | \$ 3,251          | \$ 3,444          | \$ 3,270           | \$ |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Determined in accordance with federal income tax regulations.

<sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Annualized.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 23%.

<sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 63%.

<sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 237%.



<sup>9</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 544%.

<sup>10</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 534%.

<sup>11</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 184%.

See Notes to Financial Statements.

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## Financial Highlights

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

|                                                        | Six Months<br>Ended<br>February 28,<br>2014 <sup>1</sup><br>(Unaudited) | Year Ended August 31, |                     |                     |                     |
|--------------------------------------------------------|-------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                        |                                                                         | 2013 <sup>1</sup>     | 2012 <sup>1</sup>   | 2011                | 2010                |
| <b>Per Share Operating Performance</b>                 |                                                                         |                       |                     |                     |                     |
| Net asset value, beginning of period                   | \$ 12.62                                                                | \$ 12.32              | \$ 11.49            | \$ 11.38            | \$ 9.68             |
| Net investment income <sup>2</sup>                     | 0.46                                                                    | 1.00                  | 1.04                | 1.06                | 1.05                |
| Net realized and unrealized gain (loss)                | 0.91                                                                    | 0.41                  | 0.83                | 0.05                | 1.67                |
| Net increase (decrease) from investment operations     | 1.37                                                                    | 1.41                  | 1.87                | 1.11                | 2.72                |
| Dividends and distributions from net investment income | (0.56)                                                                  | (1.11) <sup>3</sup>   | (1.04) <sup>3</sup> | (1.00) <sup>3</sup> | (1.02) <sup>3</sup> |
| Net asset value, end of period                         | \$ 13.43                                                                | \$ 12.62              | \$ 12.32            | \$ 11.49            | \$ 11.38            |
| Market price, end of period                            | \$ 12.51                                                                | \$ 11.37              | \$ 12.96            | \$ 11.21            | \$ 11.19            |
| <b>Total Investment Return<sup>4</sup></b>             |                                                                         |                       |                     |                     |                     |
| Based on net asset value                               | 11.46% <sup>5</sup>                                                     | 11.90%                | 17.14%              | 9.95%               | 29.26%              |
| Based on market price                                  | 15.24% <sup>5</sup>                                                     | (4.16)%               | 26.30%              | 9.09%               | 29.92%              |
| <b>Ratio to Average Net Assets</b>                     |                                                                         |                       |                     |                     |                     |
| Total expenses                                         | 1.40% <sup>6,7</sup>                                                    | 1.54% <sup>8</sup>    | 1.51%               | 1.41%               | 1.34%               |

|                                                                                                    |                      |                      |                     |       |       |
|----------------------------------------------------------------------------------------------------|----------------------|----------------------|---------------------|-------|-------|
| Total expenses after fees waived and paid indirectly                                               | 1.40% <sup>6,7</sup> | 1.54% <sup>8</sup>   | 1.51%               | 1.41% | 1.34% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and income tax | 1.01% <sup>6,7</sup> | 1.16% <sup>8,9</sup> | 1.19% <sup>10</sup> | 1.12% | 1.09% |
| Net investment income                                                                              | 6.94% <sup>6</sup>   | 7.83%                | 8.84%               | 8.80% | 9.52% |

**Supplemental Data**

|                                                         |              |            |            |            |            |
|---------------------------------------------------------|--------------|------------|------------|------------|------------|
| Net assets, end of period (000)                         | \$ 1,699,997 | \$ 446,847 | \$ 435,955 | \$ 405,697 | \$ 401,760 |
| Borrowings outstanding, end of period (000)             | \$ 686,000   | \$ 191,000 | \$ 181,000 | \$ 130,000 | \$ 89,000  |
| Average borrowings outstanding, during the period (000) | \$ 485,934   | \$ 180,436 | \$ 142,342 | \$ 115,512 | \$ 76,356  |
| Portfolio turnover                                      | 28%          | 77%        | 61%        | 87%        | 85%        |
| Asset coverage, end of period per \$1,000               | \$ 3,478     | \$ 3,340   | \$ 3,409   | \$ 4,121   | \$ 5,514   |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup> Determined in accordance with federal income tax regulations.

<sup>4</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>5</sup> Aggregate total investment return.

<sup>6</sup> Annualized.

<sup>7</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been

1.38 %, 1.38% and 0.99%, respectively.

<sup>8</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.50%, 1.50% and 1.12%, respectively.

<sup>9</sup> For the year ended August 31, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 1.15%.

<sup>10</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%.

See Notes to Financial Statements.

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## Financial Highlights

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

|                                                    | Six Months<br>Ended<br>February 28,<br>2014<br>(Unaudited) | Year Ended August 31, |                     |                     |                     |    |
|----------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|----|
|                                                    |                                                            | 2013                  | 2012                | 2011                | 2010                |    |
| <b>Per Share Operating Performance</b>             |                                                            |                       |                     |                     |                     |    |
| Net asset value, beginning of period               | \$ 10.96                                                   | \$ 11.84              | \$ 10.77            | \$ 11.07            | \$ 10.02            | \$ |
| Net investment income <sup>1</sup>                 | 0.35                                                       | 0.68                  | 0.67                | 0.63                | 0.59                |    |
| Net realized and unrealized gain (loss)            | 0.53                                                       | (0.87)                | 1.05                | (0.28)              | 1.25                |    |
| Net increase (decrease) from investment operations | 0.88                                                       | (0.19)                | 1.72                | 0.35                | 1.84                |    |
| Dividends from net investment income               | (0.36)                                                     | (0.69) <sup>2</sup>   | (0.65) <sup>2</sup> | (0.65) <sup>2</sup> | (0.79) <sup>2</sup> |    |
| Net asset value, end of period                     | \$ 11.48                                                   | \$ 10.96              | \$ 11.84            | \$ 10.77            | \$ 11.07            | \$ |
| Market price, end of period                        | \$ 10.39                                                   | \$ 9.64               | \$ 11.58            | \$ 9.85             | \$ 10.56            | \$ |
| <b>Total Investment Return<sup>3</sup></b>         |                                                            |                       |                     |                     |                     |    |
| Based on net asset value                           | 8.54% <sup>4</sup>                                         | (1.47)%               | 16.81%              | 3.91%               | 19.83%              |    |
| Based on market price                              | 11.69% <sup>4</sup>                                        | (11.39)%              | 24.92%              | (0.37)%             | 18.69%              |    |
| <b>Ratio to Average Net Assets</b>                 |                                                            |                       |                     |                     |                     |    |
| Total expenses                                     | 0.93% <sup>5</sup>                                         | 0.93%                 | 0.90%               | 0.95%               | 1.09%               |    |
| Total expenses                                     | 0.93% <sup>5</sup>                                         | 0.93%                 | 0.90%               | 0.95%               | 1.09%               |    |

|                                                                                                                                                                  |                    |       |       |       |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|-------|-------|-------|
| after fees<br>waived and<br>paid<br>indirectly<br>Total<br>expenses<br>after fees<br>waived and<br>paid<br>indirectly<br>and<br>excluding<br>interest<br>expense | 0.81% <sup>5</sup> | 0.81% | 0.82% | 0.85% | 0.86% |
| Net<br>investment<br>income                                                                                                                                      | 6.29% <sup>5</sup> | 5.82% | 5.97% | 5.94% | 5.81% |

**Supplemental Data**

|                                                                     |                  |                   |                   |                   |                    |    |
|---------------------------------------------------------------------|------------------|-------------------|-------------------|-------------------|--------------------|----|
| Net assets,<br>end of<br>period (000)                               | \$ 395,558       | 377,805           | \$ 408,068        | \$ 371,175        | \$ 381,379         | \$ |
| Borrowings<br>outstanding,<br>end of<br>period (000)                | \$ 178,517       | \$ 172,206        | \$ 188,055        | \$ 154,883        | \$ 157,776         | \$ |
| Average<br>borrowings<br>outstanding,<br>during the<br>period (000) | \$ 177,140       | \$ 185,003        | \$ 151,411        | \$ 148,617        | \$ 151,700         | \$ |
| Portfolio<br>turnover                                               | 39% <sup>6</sup> | 101% <sup>7</sup> | 285% <sup>8</sup> | 774% <sup>9</sup> | 720% <sup>10</sup> |    |
| Asset<br>coverage,<br>end of<br>period per<br>\$1,000               | \$ 3,219         | \$ 3,194          | \$ 3,170          | \$ 3,396          | \$ 3,417           | \$ |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Determined in accordance with federal income tax regulations.

<sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Annualized.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions the portfolio turnover rate would have been 22%.

<sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions the portfolio turnover rate would have been 63%.

<sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions the portfolio turnover rate would have been 231%.

- <sup>9</sup> Includes mortgage dollar roll transactions. Excluding these transactions the portfolio turnover rate would have been 492%.
- <sup>10</sup> Includes mortgage dollar roll transactions. Excluding these transactions the portfolio turnover rate would have been 608%.
- <sup>11</sup> Includes mortgage dollar roll transactions. Excluding these transactions the portfolio turnover rate would have been 165%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Income Trust, Inc. (BKT)

|                                                    | Six Months<br>Ended<br>February 28,<br>2014<br>(Unaudited) | Year Ended August 31, |                     |                     |                     |
|----------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                    |                                                            | 2013                  | 2012                | 2011                | 2010                |
| <b>Per Share Operating Performance</b>             |                                                            |                       |                     |                     |                     |
| Net asset value, beginning of period               | \$ 7.32                                                    | \$ 7.94               | \$ 7.96             | \$ 7.76             | \$ 7.12             |
| Net investment income <sup>1</sup>                 | 0.18                                                       | 0.32                  | 0.39                | 0.35                | 0.20                |
| Net realized and unrealized gain (loss)            | 0.03                                                       | (0.46)                | 0.06                | 0.19                | 0.73                |
| Net increase (decrease) from investment operations | 0.21                                                       | (0.14)                | 0.45                | 0.54                | 0.93                |
| Dividends and distributions from:                  |                                                            |                       |                     |                     |                     |
| Net investment income                              | (0.22)                                                     | (0.48) <sup>2</sup>   | (0.27) <sup>2</sup> | (0.34) <sup>2</sup> | (0.26) <sup>2</sup> |
| Net realized gain                                  |                                                            |                       | (0.20) <sup>2</sup> |                     | (0.03) <sup>2</sup> |
| Total dividends and distributions                  | (0.22)                                                     | (0.48)                | (0.47)              | (0.34)              | (0.29)              |
| Net asset value, end of period                     | \$ 7.31                                                    | \$ 7.32               | \$ 7.94             | \$ 7.96             | \$ 7.76             |
| Market price, end of period                        | \$ 6.60                                                    | \$ 6.40               | \$ 7.63             | \$ 7.18             | \$ 6.95             |
| <b>Total Investment Return<sup>3</sup></b>         |                                                            |                       |                     |                     |                     |
| Based on net asset                                 | 3.29% <sup>4</sup>                                         | (1.45)%               | 6.24%               | 7.70%               | 13.86%              |



|                                   |                    |          |        |       |        |
|-----------------------------------|--------------------|----------|--------|-------|--------|
| value<br>Based on<br>market price | 6.66% <sup>4</sup> | (10.34)% | 13.19% | 8.47% | 11.19% |
|-----------------------------------|--------------------|----------|--------|-------|--------|

**Ratios to Average Net Assets**

|                                                                                                                |                    |       |       |       |       |
|----------------------------------------------------------------------------------------------------------------|--------------------|-------|-------|-------|-------|
| Total<br>expenses                                                                                              | 0.97% <sup>5</sup> | 1.00% | 0.97% | 1.06% | 1.05% |
| Total<br>expenses<br>after fees<br>waived and<br>paid<br>indirectly                                            | 0.97% <sup>5</sup> | 1.00% | 0.97% | 1.05% | 1.02% |
| Total<br>expenses<br>after fees<br>waived and<br>paid<br>indirectly<br>and<br>excluding<br>interest<br>expense | 0.90% <sup>5</sup> | 0.90% | 0.90% | 0.94% | 0.92% |
| Net<br>investment<br>income                                                                                    | 4.83% <sup>5</sup> | 4.18% | 4.86% | 4.43% | 2.72% |

**Supplemental Data**

|                                                                     |                   |                   |                   |                   |                    |
|---------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Net assets,<br>end of<br>period (000)                               | \$ 467,421        | \$ 467,948        | \$ 507,852        | \$ 508,765        | \$ 496,260         |
| Borrowings<br>outstanding,<br>end of<br>period (000)                | \$ 197,993        | \$ 148,344        | \$ 119,706        | \$ 233,676        | \$ 106,985         |
| Average<br>borrowings<br>outstanding,<br>during the<br>period (000) | \$ 191,496        | \$ 188,924        | \$ 183,890        | \$ 116,771        | \$ 23,316          |
| Portfolio<br>turnover                                               | 133% <sup>6</sup> | 358% <sup>7</sup> | 487% <sup>8</sup> | 899% <sup>9</sup> | 883% <sup>10</sup> |
| Asset<br>coverage,<br>end of<br>period per<br>\$1,000               | \$ 3,362          | \$ 4,154          | \$ 5,242          | \$ 3,177          | \$ 5,639           |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Determined in accordance with federal income tax regulations.

<sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and

assumes the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Annualized.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 66%.

<sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 196%.

<sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 230%.

<sup>9</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 387%.

<sup>10</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 207%.

<sup>11</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 184%.

See Notes to Financial Statements.

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## Notes to Financial Statements (Unaudited)

**1. Organization:**

BlackRock Core Bond Trust ( BHK ), BlackRock Corporate High Yield Fund, Inc. (formerly known as BlackRock Corporate High Yield Fund VI, Inc.) ( HYT ), BlackRock Income Opportunity Trust, Inc. ( BNA ) and BlackRock Income Trust, Inc. ( BKT ) (collectively, the Trusts or individually as a Trust ) are registered under the 1940 Act, as diversified, closed-end management investment companies. HYT, BNA and BKT are organized as Maryland corporations. BHK is organized as a Delaware statutory trust. The Boards of Directors and the Board 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.

**Reorganizations:** The Board and shareholders of HYT and the Board and shareholders of each of BlackRock Corporate High Yield Fund, Inc. (COY), BlackRock Corporate High Yield Fund III, Inc. (CYE), BlackRock Corporate High Yield Fund V, Inc. (HYV), BlackRock High Income Shares (HIS) and BlackRock High Yield Trust (BHY) (individually, a Target Fund and collectively the Target Funds ) approved the reorganizations of each Target Fund into the Trust pursuant to which the Trust acquired substantially all of the assets and substantially all of the liabilities of each Target Fund in exchange for an equal aggregate value of newly-issued shares of the Trust. On February 28, 2014, the Trust changed its name from BlackRock Corporate High Yield Fund VI, Inc. to BlackRock Corporate High Yield Fund, Inc.

Each shareholder of a Target Fund received shares of HYT in an amount equal to the aggregate net asset value of such shareholder s Target Fund shares, as determined at the close of business on November 15, 2013, less the costs of the Target Fund s reorganization. Cash was distributed for any fractional shares.

The reorganizations were accomplished by a tax-free exchange of shares of HYT in the following amounts and at the following conversion ratios:

| Target Fund | Shares Prior to Reorganization | Conversion Ratio | Shares of HYT |
|-------------|--------------------------------|------------------|---------------|
| COY         | 35,027,459                     | 0.59633674       | 20,888,115    |
| CYE         | 37,552,995                     | 0.61218457       | 22,989,338    |
| HYV         | 33,015,111                     | 1.02665810       | 33,895,222    |
| HIS         | 54,848,390                     | 0.17536312       | 9,618,090     |
| BHY         | 6,431,296                      | 0.58941105       | 3,790,663     |

Each Target Fund s net assets and composition of net assets on November 15, 2013, the valuation date of the merger, were as follows:

|                                                  | Target Funds    |                 |                 |                 |                |
|--------------------------------------------------|-----------------|-----------------|-----------------|-----------------|----------------|
|                                                  | COY             | CYE             | HYV             | HIS             | BHY            |
| Net assets                                       | \$269,933,969   | \$297,104,927   | \$438,025,175   | \$124,291,816   | \$48,986,675   |
| Paid-in capital                                  | \$305,598,538   | \$325,129,374   | \$469,470,262   | \$151,206,100   | \$57,800,401   |
| Distributions in excess of net investment income | \$(1,255,282 )  | \$(1,538,552 )  | \$(1,918,349 )  | \$(360,467 )    | \$(176,691 )   |
| Accumulated net realized loss                    | \$(41,042,211 ) | \$(35,104,383 ) | \$(45,260,725 ) | \$(28,812,094 ) | \$(11,055,877) |
| Net unrealized appreciation/                     | \$6,632,924     | \$8,618,488     | \$15,733,987    | \$2,258,277     | \$2,418,842    |

**depreciation**

For financial reporting purposes, assets received and shares issued by HYT were recorded at fair value. However, the cost basis of the investments received from the Target Funds were carried forward to align ongoing reporting of HYT's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets of HYT before the acquisition were \$457,705,742. The aggregate net assets of HYT immediately after the acquisition amounted to \$1,636,048,304. Each Target Fund's fair value and cost of investments prior to the reorganization were as follows:

| <b>Target Fund</b> | <b>Fair Value of Investments</b> | <b>Cost of Investments</b> |
|--------------------|----------------------------------|----------------------------|
| COY                | \$390,874,369                    | \$384,527,373              |
| CYE                | \$426,486,257                    | \$418,164,825              |
| HYV                | \$635,843,965                    | \$620,566,784              |
| HIS                | \$168,681,354                    | \$165,706,402              |
| BHY                | \$69,648,630                     | \$67,122,917               |

The purpose of these transactions was to combine six funds managed by BlackRock Advisors, LLC (the Manager) with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. Each reorganization was a tax-free event and was effective on November 18, 2013.

Assuming the acquisition had been completed on September 1, 2013 the beginning of the fiscal reporting period of HYT, the pro forma results of operations for the six months ended February 28, 2014, are as follows:

Net investment income/loss: \$60,987,696

Net realized and change in unrealized gain/loss on investments: \$148,326,085

Net increase/decrease in net assets resulting from operations: \$209,313,781

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in HYT's Consolidated Statement of Operations since November 18, 2013.

Reorganization costs incurred in connection with the reorganizations were expensed by HYT.

**Basis of Consolidation:** HYT's accompanying consolidated financial statements include the accounts of BLK HYT (Luxembourg) Investments, S.a.r.l., BLK HYV (Luxembourg) Investments, S.a.r.l., BLK COY (Luxembourg) Investments, S.a.r.l. and BLK CYE (Luxembourg)

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## Notes to Financial Statements (continued)

Investments, S.a.r.l. (the Taxable Subsidiaries ), all of which are wholly owned Taxable Subsidiaries of the Trust which hold shares of private Canadian companies, Laricina Energy Ltd. and Osum Oil Sands Corp. 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 Subsidiaries may be taxable to such subsidiaries in Luxembourg. A tax provision, if any, is included in expenses in the Consolidated Statements of Operations. A tax provision for realized and unrealized gains, if any, is included as a reduction of realized and/or unrealized gain (loss) in the Consolidated Statements of Operations. Intercompany accounts and transactions, if any, have been eliminated. The Taxable Subsidiaries are subject to the same investment policies and restrictions that apply to the Trust.

**2. Significant Accounting Policies:**

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

**Valuation:** US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts determine the fair value of their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (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. Certain centrally cleared swaps are valued at the price determined by the relevant exchange or clearinghouse. 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 Stock Market ( 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.

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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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 the 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 arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent

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## Notes to Financial Statements (continued)

with the principles of fair value measurement, which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. The market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and is 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, regular reviews 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 each Trust's net assets. If events (e.g., 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 in 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 may be treated as ordinary income for federal income tax purposes.

**Segregation and Collateralization:** In cases where a Trust enters into certain investments (e.g., dollar rolls, TBA sale commitments, financial futures contracts, foreign currency exchange contracts, swaps, short sales and written options) or certain borrowings (e.g., reverse repurchase transactions, treasury roll transactions and loan payable) that would be senior securities for 1940 Act purposes, each Trust may segregate or designate on its books and records cash or liquid securities having a market value at least equal to the amount of each Trust's future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty agreement, each Trust may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

**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 date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trusts are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

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**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 their taxable income to their 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 remains open for each of the four years ended August 31, 2013. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

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Notes to Financial Statements (continued)

Management has analyzed tax laws and regulations and their application to the Trusts facts and circumstances and does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the Plan ) approved by each Trust s Board, the 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 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 Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Deferred compensation liabilities are included in officer s and trustees fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Trusts until such amounts are distributed in accordance with the Plan.

**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.

**3. Securities and Other Investments:**

**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. In addition, the Trusts may have to subsequently reinvest the proceeds at lower interest rates. If the Trusts have purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

Certain Trusts may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the US government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the Treasury.

**Collateralized Debt Obligations:** Certain Trusts may invest in collateralized debt obligations ( CDOs ), which include collateralized bond obligations ( CBOs ) and collateralized loan obligations ( CLOs ). CBOs and CLOs are types of asset-backed securities. A CDO is an 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,

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mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to

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## Notes to Financial Statements (continued)

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 and Trust Preferred Securities:** Certain Trusts may invest in capital trusts and/or trust preferred securities. 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. For trust preferred securities, the issuing bank or corporation will pay interest to the trust, which will then be distributed to holders of the trust preferred securities as a dividend. 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 and are freely callable at the issuer's option.

**Preferred Stock:** Certain Trusts may invest in preferred stock. 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 held by the Trusts are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Trusts may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as the London Interbank Offered Rate (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.

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**Notes to Financial Statements (continued)**

In connection with floating rate loan interests, the Trusts may also enter into unfunded floating rate loan interests ( commitments ). 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. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of February 28, 2014, the Trusts had no outstanding unfunded floating rate loan interests.

**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 fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts' maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**TBA Commitments:** Certain Trusts may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. The Trusts generally enter into TBA commitments with the intent to take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

**Mortgage Dollar Roll Transactions:** Certain Trusts may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (i.e., same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Trusts will not be entitled to receive interest and principal payments on the securities sold. The Trusts account for mortgage dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions may increase the Trusts' portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Trusts are required to purchase may decline below the agreed upon repurchase price of those securities.

**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 Trusts and the counterparty. The value of the underlying cash collateral approximates the market value and accrued interest of the borrowed bond. To the extent that a borrowed bond transaction exceeds one business day, the value of the cash collateral in the possession of the counterparty is monitored on a daily basis to ensure the adequacy of the collateral. As the market value of the borrowed bond changes, the cash collateral is periodically increased or decreased with a frequency and in amounts prescribed in the borrowed bond agreement. Full realization of the collateral by the Trusts may be limited if the value of an investment purchased with the cash collateral by the lender decreases. The Trusts may also experience delays in gaining access to the collateral.

**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 agree to repurchase the same securities at a mutually agreed upon date and price. During the term of the reverse repurchase agreement, the Trusts continue to receive the principal and interest payments on the securities sold. 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.

For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest payments to be made to the counterparty is 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. Interest payments made by the

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Trusts to the counterparties are recorded as a component of interest expense in the Statements of Operations. In periods of increased demand for the security, the Trusts may receive a fee for use of the security by the counterparty, which may result in interest income to the Trusts.

**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

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## Notes to Financial Statements (continued)

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 transactions, borrowed bond agreements and treasury roll transactions are entered into by the Trusts under Master Repurchase Agreements ( MRA ), which permit the Trusts, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Trusts. With reverse repurchase transactions, borrowed bond agreements and treasury roll transactions, typically the Trusts and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Trusts receive or post securities as collateral with a market value in excess of the repurchase price to be paid or received by the Trusts upon the maturity of the transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Trusts are considered an unsecured creditor with respect to excess collateral and, as such, the return of excess collateral may be delayed.

The following table is a summary of the Trusts' borrowed bonds and reverse repurchase agreements by counterparty which are subject to offset under an MRA on a net basis as of February 28, 2014:

**BHK**

| Counterparty                                | Reverse<br>Repurchase<br>Agreements | Fair Value of<br>Non-cash<br>Collateral Pledged<br>Including<br>Accrued Interest <sup>1</sup> | Cash Collateral<br>Pledged | Net Amount |
|---------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------|------------|
| Barclays Capital, Inc.                      | \$ 16,628,855                       | \$ (16,628,855)                                                                               |                            |            |
| BNP Paribas Securities Corp.                | 50,628,821                          | (50,628,821)                                                                                  |                            |            |
| Credit Suisse Securities (USA) LLC          | 29,398,822                          | (29,398,822)                                                                                  |                            |            |
| Deutsche Bank Securities, Inc.              | 10,557,753                          | (10,557,753)                                                                                  |                            |            |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 25,219,508                          | (25,219,508)                                                                                  |                            |            |
| UBS Securities LLC                          | 33,899,227                          | (33,899,227)                                                                                  |                            |            |
| Total                                       | \$166,332,986                       | \$ (166,332,986)                                                                              |                            |            |

<sup>1</sup> Collateral with a value of \$173,295,360 has been pledged in connection with open reverse repurchase agreements. Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.

**BNA**

| Counterparty | — | Reverse<br>Repurchase | — | Fair Value of<br>Non-cash | Cash Collateral<br>—Pledged | Net Amount |
|--------------|---|-----------------------|---|---------------------------|-----------------------------|------------|
|--------------|---|-----------------------|---|---------------------------|-----------------------------|------------|

|                                             | <u>Agreements</u> | <u>Collateral Pledged<br/>Including<br/>Accrued Interest<sup>2</sup></u> |
|---------------------------------------------|-------------------|--------------------------------------------------------------------------|
| Barclays Capital, Inc.                      | \$ 7,817,047      | \$ (7,817,047 )                                                          |
| BNP Paribas Securities Corp.                | 47,679,210        | (47,679,210)                                                             |
| Credit Suisse (USA) LLC                     | 42,015,781        | (42,015,781)                                                             |
| Deutsche Bank Securities, Inc.              | 10,033,298        | (10,033,298)                                                             |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 34,751,006        | (34,751,006)                                                             |
| RBC Capital Markets, LLC                    | 1,980,972         | (1,980,972)                                                              |
| UBS Securities LLC                          | 34,239,371        | (34,239,371)                                                             |
| Total                                       | \$178,516,685     | \$ (178,516,685)                                                         |

<sup>2</sup> Collateral with a value of \$186,703,123 has been pledged in connection with open reverse repurchase agreements.

<sup>2</sup> Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.

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## Notes to Financial Statements (continued)

| Borrowed Reverse<br>Bonds | Repurchase<br>Agreements | Borrowed Exposure<br>Bonds at Due<br>Value (to) / from |                                      |                                    | Cash<br>Collateral<br>Received | Non-cash<br>Collateral<br>Pledged | Cash<br>Collateral<br>Pledged | Net<br>Collateral<br>(Received) /<br>Pledged | Net<br>Exposure<br>Due (to) /<br>from<br>Counterparty |
|---------------------------|--------------------------|--------------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------|-----------------------------------|-------------------------------|----------------------------------------------|-------------------------------------------------------|
|                           |                          | Including<br>Accrued<br>Interest <sup>2</sup>          | Counterparty<br>before<br>Collateral | Non-cash<br>Collateral<br>Received |                                |                                   |                               |                                              |                                                       |
|                           | \$2,917,371              |                                                        | \$2,917,371                          |                                    |                                | \$(2,843,619)                     | \$(2,843,619)                 | \$73,658                                     |                                                       |
| \$741,624                 | 195,015,718              | \$783,395                                              | 196,540,737                          |                                    |                                | (202,126,141)                     | (202,126,141)                 | (5,000,000)                                  |                                                       |
| \$741,624                 | \$197,933,089            | \$783,395                                              | \$199,458,108                        |                                    |                                | \$(204,969,760)                   | \$(204,969,760)               | \$(5,000,000)                                |                                                       |

<sup>1</sup>Included in Investments at value-unaffiliated in the Statements of Assets and Liabilities.

<sup>2</sup>Includes accrued interest on borrowed bonds in the amount of \$7,384 which is included in interest expense payable in the Statements of Assets and Liabilities.

<sup>3</sup>Net exposure represents the net receivable (payable) that would be due from/to the counterparty in the event of default.

In the event the buyer of securities under an MRA 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.

**Short Sales:** Certain Trusts may enter into short sale transactions in which the Trusts sell a security they do not hold in anticipation of a decline in the market price of that security. When the Trusts make a short sale, they will borrow the security sold short (borrowed bond) and deliver the security to the counterparty to which they 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 interest on the security sold short, which is shown as interest expense in the Statements of Operations. 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 either less than or greater 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.

#### 4. 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 their exposure to certain risks such as credit risk, equity risk, interest rate risk and foreign currency exchange rate risk. These contracts may be transacted on an exchange or OTC.

**Financial Futures Contracts:** The Trusts purchase and/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 a 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.

Upon entering into a financial futures contract, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited, if any, is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. 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. Variation margin is recorded by the Trusts as unrealized appreciation or depreciation and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities.

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, or hedge exposure away from, 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

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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.

**Options:** The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk and 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 (receipts from the foreign currency purchased). 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 when it otherwise would not, or at a price different from the current market value.

**Swaps:** The Trusts enter into swap agreements in which the Trusts and a counterparty agree either to 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 entered into as a bilateral contract ( OTC swaps ) or centrally cleared ( centrally cleared swaps ). Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation).

For OTC swaps, any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, in the Statements of Assets and Liabilities and amortized over the term of the OTC swap. Payments received or made by the Trusts for OTC swaps are recorded in the Statements of Operations as realized gains or losses, respectively. When an OTC 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.

In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is novated to a central counterparty (the CCP ) and the Trusts' counterparty on the swap agreement becomes the CCP. The Trusts are required to interface with the CCP through a broker. Upon entering into a centrally cleared swap, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited is recorded on the Statements of Assets and Liabilities as cash pledged for centrally cleared swaps. The daily change in valuation of centrally cleared swaps is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. Payments received from (paid to) the counterparty, including at termination, are recorded as realized gain (loss) in the Statements of Operations.

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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 may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name

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issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection 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 occur. As a buyer, if an underlying credit event occurs, the Trusts will either (i) 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 (ii) 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 or commodity prices) (equity risk, commodity price 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.

**Forward Swaps** The Trusts may enter into forward interest rate swaps and forward total return swaps. In a forward swap, each Trust and the counterparty agree to make either periodic net payments beginning on a specified future effective date or a net payment at termination, unless terminated earlier.

The following is a summary of the Trusts' derivative financial instruments categorized by risk exposure:

**Fair Values of Derivative Financial Instruments as of February 28, 2014**

|                                     | Statements of Assets and Liabilities Location                                                                                                  | Derivative Assets |           |             |             |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|-------------|-------------|
|                                     |                                                                                                                                                | BHK               | HYT       | BNA         | BKT         |
|                                     |                                                                                                                                                | Value             |           |             |             |
| Interest rate contracts             | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized appreciation on OTC swaps; Investments at value – unaffiliated <sup>2</sup> | \$1,120,179       |           | \$1,129,691 | \$6,094,608 |
| Foreign currency exchange contracts | Unrealized appreciation on foreign currency exchange contracts                                                                                 |                   | \$233,228 |             |             |
| Credit contracts                    | Unrealized appreciation on OTC swaps; Swap                                                                                                     | 301,024           | 3,704,213 | 302,605     |             |

|                                                      |                                                                                                                                                | <b>Derivative Liabilities</b> |              |             |             |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------|-------------|-------------|
|                                                      |                                                                                                                                                | <b>BHK</b>                    | <b>HYT</b>   | <b>BNA</b>  | <b>BKT</b>  |
| <b>Statements of Assets and Liabilities Location</b> |                                                                                                                                                | <b>Value</b>                  |              |             |             |
| <b>Total</b>                                         | premiums paid                                                                                                                                  | \$1,421,203                   | \$3,937,441  | \$1,432,296 | \$6,094,608 |
| Interest rate contracts                              | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized depreciation on OTC swaps; Investments at value – unaffiliated <sup>2</sup> | \$2,252,362                   | \$78,809     | \$2,260,242 | \$9,277,912 |
| Foreign currency exchange contracts                  | Unrealized depreciation on foreign currency exchange contracts                                                                                 | 286,809                       | 3,408,819    | 312,478     |             |
| Credit contracts                                     | Unrealized depreciation on OTC swaps; Swap premiums received                                                                                   | 344,281                       | 10,717,320   | 345,448     |             |
| Equity contracts                                     | Net unrealized appreciation/depreciation <sup>1</sup>                                                                                          |                               | 2,939,052    |             |             |
| <b>Total</b>                                         |                                                                                                                                                | \$2,883,452                   | \$17,144,000 | \$2,918,168 | \$9,277,912 |

Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps, if any, 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.

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**The Effect of Derivative Financial Instruments in the Statements of Operations  
Six Months Ended February 28, 2014**

|                                      | Net Realized Gain (Loss) From |                      |                      |                      |
|--------------------------------------|-------------------------------|----------------------|----------------------|----------------------|
|                                      | BHK                           | HYT                  | BNA                  | BKT                  |
| Interest rate contracts:             |                               |                      |                      |                      |
| Financial futures contracts          | \$ (666,471)                  | \$ (616,657)         | \$ (787,698)         | \$(3,349,686)        |
| Swaps                                | 93,049                        |                      | (39,361)             | 244,558              |
| Options <sup>1</sup>                 | 182,813                       |                      | 183,109              |                      |
| Foreign currency exchange contracts: |                               |                      |                      |                      |
| Foreign currency transactions        | (754,591)                     | (1,041,413)          | (854,457)            |                      |
| Credit contracts:                    |                               |                      |                      |                      |
| Swaps                                | (217,435)                     | 1,474,631            | (28,764)             |                      |
| Equity contracts:                    |                               |                      |                      |                      |
| Financial futures contracts          |                               | 2,653,176            |                      |                      |
| Options <sup>1</sup>                 |                               | (6,375,649)          |                      |                      |
| <b>Total</b>                         | <b>\$(1,362,635)</b>          | <b>\$(3,905,912)</b> | <b>\$(1,527,171)</b> | <b>\$(3,105,128)</b> |

|                                      | Net Change in Unrealized Appreciation/Depreciation on |                      |                     |                      |
|--------------------------------------|-------------------------------------------------------|----------------------|---------------------|----------------------|
|                                      | BHK                                                   | HYT                  | BNA                 | BKT                  |
| Interest rate contracts:             |                                                       |                      |                     |                      |
| Financial futures contracts          | \$ 157,262                                            | \$ (83,780)          | \$ 175,650          | \$ (330,103)         |
| Swaps                                | (729,099)                                             |                      | (778,620)           | (886,569)            |
| Options <sup>1</sup>                 | 625,642                                               |                      | 631,766             |                      |
| Foreign currency exchange contracts: |                                                       |                      |                     |                      |
| Foreign currency translations        | (213,491)                                             | (3,444,120)          | (191,177)           |                      |
| Credit contracts:                    |                                                       |                      |                     |                      |
| Swaps                                | (10,224)                                              | (149,281)            | (10,274)            |                      |
| Equity contracts:                    |                                                       |                      |                     |                      |
| Financial futures contracts          |                                                       | (2,939,051)          |                     |                      |
| Options <sup>1</sup>                 |                                                       | (282,618)            |                     |                      |
| <b>Total</b>                         | <b>\$ (169,910)</b>                                   | <b>\$(6,898,850)</b> | <b>\$( 172,655)</b> | <b>\$(1,216,672)</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.

For the six months ended February 28, 2014, the average quarterly balances of outstanding derivative financial instruments were as follows:

|                                                      | BHK            | HYT                        | BNA            | BKT                       |
|------------------------------------------------------|----------------|----------------------------|----------------|---------------------------|
| Financial futures contracts:                         |                |                            |                |                           |
| Average number of contracts purchased                | 746            | 55 <sup>2</sup>            | 696            | 37 <sup>2</sup>           |
| Average number of contracts sold                     | 625            | 890 <sup>2</sup>           | 626            | 1,477                     |
| Average notional value of contracts purchased        | \$ 118,322,209 | \$ 4,606,386 <sup>2</sup>  | \$ 112,514,201 | \$ 9,198,525 <sup>2</sup> |
| Average notional value of contracts sold             | \$ 90,351,734  | \$ 90,889,247              | \$ 90,476,688  | \$ 224,549,600            |
| Foreign currency exchange contracts:                 |                |                            |                |                           |
| Average number of contracts – US dollars purchased   | 4              | 23                         | 4              |                           |
| Average number of contracts – US dollars sold        | 1              | 4                          | 1              |                           |
| Average US dollar amounts purchased                  | \$ 15,337,574  | \$ 221,928,115             | \$ 16,781,483  |                           |
| Average US dollar amounts sold                       | \$ 1,301,970   | \$ 4,142,217               | \$ 1,297,998   |                           |
| Options:                                             |                |                            |                |                           |
| Average number of option contracts purchased         |                | 2,569                      |                |                           |
| Average number of option contracts written           |                | 1,798 <sup>2</sup>         |                |                           |
| Average notional value of option contracts purchased |                | \$ 46,678,654              |                |                           |
| Average notional value of option contracts written   |                | \$ 28,041,000 <sup>2</sup> |                |                           |
| Average number of swaption contracts purchased       | 5              |                            | 5              |                           |
| Average number of swaption contracts written         | 15             |                            | 15             |                           |
| Average notional value of swaption                   | \$ 90,900,000  |                            | \$ 91,200,000  |                           |



|                                                      |                |               |                |               |
|------------------------------------------------------|----------------|---------------|----------------|---------------|
| contracts purchased                                  |                |               |                |               |
| Average notional value of swaption contracts written | \$ 134,000,000 |               | \$ 134,600,000 |               |
| Credit default swaps:                                |                |               |                |               |
| Average number of contracts – buy protection         | 4              | 8             |                | 2             |
| Average number of contracts – sell protection        | 8              | 49            |                | 8             |
| Average notional value – buy protection              | \$ 3,201,000   | \$ 2,508,598  | \$ 3,200,000   |               |
| Average notional value – sell protection             | \$ 4,460,000   | \$ 45,564,442 | \$ 4,485,000   |               |
| Interest rate swaps:                                 |                |               |                |               |
| Average number of contracts – pays fixed rate        | 8              |               | 8              | 1             |
| Average number of contracts – receives fixed rate    | 2              |               | 2              | 7             |
| Average notional value – pays fixed rate             | \$ 92,600,000  |               | \$ 92,700,000  | \$ 60,000,000 |
| Average notional value – receives fixed rate         | \$ 6,850,000   |               | \$ 6,850,000   | \$ 71,565,000 |

<sup>2</sup> Average contract amount shown due to limited activity.

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Notes to Financial Statements (continued)

**Counterparty Credit Risk:** A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

The Trusts' risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by such Trust. For OTC options purchased, each Trust bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Trust should the counterparty fail to perform under the contracts. Options written by the Trusts do not typically give rise to counterparty credit risk, as options written generally obligate the Trusts, and not the counterparty, to perform.

With exchange-traded purchased options and futures and centrally cleared swaps, there is less counterparty credit risk to the Trusts since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Trusts do not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange-traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Trusts.

In order to better define their contractual rights and to secure rights that will help the Trusts mitigate their counterparty risk, the Trusts may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ( ISDA Master Agreement ) or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between each Trust and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, each Trust may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, 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.

**Collateral Requirements:** For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Trusts and the counterparty.

Cash collateral that has been pledged to cover obligations of the Trusts and cash collateral received from the counterparty, if any, is reported separately on the Statements of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Trusts, if any, is noted in the Schedules of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (e.g., \$500,000) before a transfer is required, which is determined at the close of business of the Trusts and any additional required collateral is delivered to/pledged by the Trusts on the next business day. Typically, the Trusts and counterparties are not permitted to sell, re-pledge or use the collateral they receive. To the extent amounts due to the Trusts from their counterparties are not fully collateralized, contractually or otherwise, the Trusts bear the risk of loss from counterparty non-performance. Each Trust attempts to mitigate 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.

For financial reporting purposes, the Trusts do not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statement of Assets and Liabilities.

At February 28, 2014, the Trusts' derivative assets and liabilities (by type) are as follows:

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|                                                                                     | BHK        |             | HYT         |              |
|-------------------------------------------------------------------------------------|------------|-------------|-------------|--------------|
|                                                                                     | Assets     | Liabilities | Assets      | Liabilities  |
| <b>Derivative Financial Instruments:</b>                                            |            |             |             |              |
| Financial futures contracts                                                         | \$ 88,013  |             |             | \$ 165,366   |
| Foreign currency exchange contracts                                                 |            | \$ 286,809  | \$ 233,228  | 3,408,819    |
| Options <sup>1</sup>                                                                | 553,090    | 1,755,992   |             |              |
| Centrally cleared swaps                                                             | 50,672     |             |             |              |
| OTC swaps <sup>2</sup>                                                              | 301,024    | 344,281     | 3,704,213   | 10,717,320   |
| Total derivative assets and liabilities in the Statements of Assets and Liabilities | 992,799    | 2,387,082   | 3,937,441   | 14,291,505   |
| Derivatives not subject to an master netting agreement of similar agreement ( MNA ) | (138,685)  |             |             | (165,366)    |
| Total derivative assets and liabilities subject to an MNA                           | \$ 854,114 | \$2,387,082 | \$3,937,441 | \$14,126,139 |

<sup>1</sup> Includes options purchased at value which is included in Investments at value unaffiliated in the Statements of Assets and Liabilities and reported in the Schedules of Investments.

<sup>2</sup> Includes unrealized appreciation/depreciation on OTC swaps and swap premiums paid/received in the Statements of Assets and Liabilities.

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## Notes to Financial Statements (continued)

|                                                                                     | BNA        |             | BKT         |             |
|-------------------------------------------------------------------------------------|------------|-------------|-------------|-------------|
|                                                                                     | Assets     | Liabilities | Assets      | Liabilities |
| <b>Derivative Financial Instruments:</b>                                            |            |             |             |             |
| Financial futures contracts                                                         | \$ 98,437  |             | \$ 148,633  |             |
| Foreign currency exchange contracts                                                 |            | \$ 312,478  |             |             |
| Options <sup>1</sup>                                                                | 553,189    | 1,762,070   |             |             |
| Centrally cleared swaps                                                             | 54,495     |             | 8           |             |
| OTC swaps <sup>2</sup>                                                              | 302,605    | 345,448     | 6,083,714   | \$7,918,969 |
| Total derivative assets and liabilities in the Statements of Assets and Liabilities | 1,008,726  | 2,419,996   | 6,232,355   | 7,918,969   |
| Derivatives not subject to an MNA                                                   | (152,932)  |             | (148,641)   |             |
| Total derivative assets and liabilities subject to an MNA                           | \$ 855,794 | \$2,419,996 | \$6,083,714 | \$7,918,969 |

<sup>1</sup> Includes options purchased at value which is included in Investments at value – unaffiliated in the Statements of Assets and Liabilities and reported in the Schedules of Investments.

<sup>2</sup> Includes unrealized appreciation/depreciation on OTC swaps and swap premiums paid/received in the Statements of Assets and Liabilities.

The following tables present the Trusts' derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Trusts as of February 28, 2014:

**BHK**

| Counterparty                        | Derivative Assets Subject to an MNA by Counterparty | Derivatives Available for Offset <sup>3</sup> | Non-cash Collateral Received | Cash Collateral Received | Net Amount of Derivative Assets <sup>4</sup> |
|-------------------------------------|-----------------------------------------------------|-----------------------------------------------|------------------------------|--------------------------|----------------------------------------------|
| Bank of America NA                  | \$ 24,732                                           | \$ (19,878)                                   |                              |                          | \$ 4,854                                     |
| Barclays Bank PLC                   | 70,542                                              | (70,542)                                      |                              |                          |                                              |
| Citibank N.A.                       | 55,554                                              | (55,554)                                      |                              |                          |                                              |
| Credit Suisse International         | 33,498                                              | (25,063)                                      |                              |                          | 8,435                                        |
| Deutsche Bank AG                    | 571,163                                             | (571,163)                                     |                              |                          |                                              |
| Goldman Sachs Bank USA              | 28,730                                              | (20,846)                                      |                              |                          | 7,884                                        |
| HSBC Bank PLC                       | 3,256                                               | (3,256)                                       |                              |                          |                                              |
| Morgan Stanley Capital Services LLC | 66,639                                              | (48,113)                                      |                              |                          | 18,526                                       |
| <b>Total</b>                        | <b>\$ 854,114</b>                                   | <b>\$(814,415)</b>                            |                              |                          | <b>\$39,699</b>                              |

**BHK**

Counterparty

—

|                                     | Derivative<br>Liabilities<br>Subject to an<br>MNA<br>by<br>Counterparty | Derivatives Non-cash<br>Available Collateral<br>for Offset <sup>3</sup> Pledged | Cash<br>Collateral<br>Pledged <sup>6</sup> | Net Amount<br>of<br>Derivative<br>Liabilities <sup>7</sup> |
|-------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------|
| Bank of America NA                  | \$ 19,878                                                               | \$ (19,878)                                                                     |                                            |                                                            |
| Barclays Bank PLC                   | 702,979                                                                 | (70,542)                                                                        | \$(510,000) <sup>5</sup>                   | \$122,437                                                  |
| Citibank N.A.                       | 267,163 <sup>5</sup>                                                    | (55,554)                                                                        |                                            | 211,609                                                    |
| Credit Suisse International         | 25,063                                                                  | (25,063)                                                                        |                                            |                                                            |
| Deutsche Bank AG                    | 872,602                                                                 | (571,163)                                                                       |                                            | 301,439                                                    |
| Goldman Sachs Bank USA              | 20,846                                                                  | (20,846)                                                                        |                                            |                                                            |
| HSBC Bank PLC                       | 5,464                                                                   | (3,256)                                                                         |                                            | 2,208                                                      |
| JPMorgan Chase Bank PLC             | 422,542                                                                 |                                                                                 | (422,542) <sup>5</sup>                     |                                                            |
| Morgan Stanley Capital Services LLC | 48,113                                                                  | (48,113)                                                                        |                                            |                                                            |
| UBS AG                              | 2,432                                                                   |                                                                                 |                                            | 2,432                                                      |
| <b>Total</b>                        | <b>\$2,387,082</b>                                                      | <b>\$(814,415)</b>                                                              | <b>\$(932,542)</b>                         | <b>\$640,125</b>                                           |

## HYT

| Counterparty                | Derivative<br>Assets<br>Subject to an<br>MNA<br>by<br>Counterparty | Derivatives<br>Available<br>for Offset <sup>3</sup> | Non-cash<br>Collateral<br>Received | Cash<br>Collateral<br>Received <sup>8</sup> | Net<br>Amount<br>of<br>Derivative<br>Assets |
|-----------------------------|--------------------------------------------------------------------|-----------------------------------------------------|------------------------------------|---------------------------------------------|---------------------------------------------|
| Barclays Bank PLC           | \$ 215,605                                                         | \$ (215,605)                                        |                                    |                                             |                                             |
| Citibank N.A.               | 96,434                                                             | (96,434)                                            |                                    |                                             |                                             |
| Deutsche Bank AG            | 2,574,831                                                          | (162,959)                                           |                                    | \$(2,411,872)                               |                                             |
| Goldman Sachs International | 1,050,571                                                          | (1,050,571)                                         |                                    |                                             |                                             |
| <b>Total</b>                | <b>\$3,937,441</b>                                                 | <b>\$(1,525,569)</b>                                |                                    | <b>\$(2,411,872)</b>                        |                                             |

<sup>3</sup> The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

<sup>4</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>5</sup> Derivative contract can be offset with options written receivable of \$145,800.

<sup>6</sup> Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.

<sup>7</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

<sup>8</sup> Excess of collateral received from the individual counterparty is not shown for financial reporting purposes.

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## Notes to Financial Statements (continued)

**HYT**

| <b>Counterparty</b>         | <b>Derivative Liabilities Subject to an MNA by Counterparty</b> | <b>Derivatives Available for Offset<sup>1</sup></b> | <b>Non-cash Collateral Pledged<sup>2</sup></b> | <b>Cash Collateral Pledged<sup>2</sup></b> | <b>Net Amount of Derivative Liabilities<sup>3</sup></b> |
|-----------------------------|-----------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------|--------------------------------------------|---------------------------------------------------------|
| Barclays Bank PLC           | \$ 2,971,025                                                    | \$ (215,605)                                        |                                                | \$(2,755,420)                              |                                                         |
| Citibank N.A.               | 282,245                                                         | (96,434)                                            |                                                |                                            | \$ 185,811                                              |
| Credit Suisse International | 4,417                                                           |                                                     |                                                |                                            | 4,417                                                   |
| Deutsche Bank AG            | 162,959                                                         | (162,959)                                           |                                                |                                            |                                                         |
| Goldman Sachs International | 6,743,807                                                       | (1,050,571)                                         | \$(5,693,236)                                  |                                            |                                                         |
| JPMorgan Chase Bank N.A.    | 1,973,881                                                       |                                                     |                                                | (775,000)                                  | 1,198,881                                               |
| Royal Bank of Scotland PLC  | 1,987,805                                                       |                                                     |                                                |                                            | 1,987,805                                               |
| <b>Total</b>                | <b>\$14,126,139</b>                                             | <b>\$(1,525,569)</b>                                | <b>\$(5,693,236)</b>                           | <b>\$(3,530,420)</b>                       | <b>\$3,376,914</b>                                      |

**BNA**

| <b>Counterparty</b>                 | <b>Derivative Assets Subject to an MNA by Counterparty</b> | <b>Derivatives Available for Offset<sup>1</sup></b> | <b>Non-cash Collateral Received<sup>2</sup></b> | <b>Cash Collateral Received<sup>2</sup></b> | <b>Net Amount of Derivative Assets<sup>4</sup></b> |
|-------------------------------------|------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|---------------------------------------------|----------------------------------------------------|
| Bank of America NA                  | \$ 24,832                                                  | \$ (19,878)                                         |                                                 |                                             | \$ 4,954                                           |
| Barclays Bank PLC                   | 70,542                                                     | (70,542)                                            |                                                 |                                             |                                                    |
| Citibank N.A.                       | 55,952                                                     | (55,952)                                            |                                                 |                                             |                                                    |
| Credit Suisse International         | 34,124                                                     | (25,531)                                            |                                                 |                                             | 8,593                                              |
| Deutsche Bank AG                    | 571,140                                                    | (571,140)                                           |                                                 |                                             |                                                    |
| Goldman Sachs Bank USA              | 28,730                                                     | (20,846)                                            |                                                 |                                             | 7,884                                              |
| HSBC Bank PLC                       | 3,257                                                      | (3,257)                                             |                                                 |                                             |                                                    |
| Morgan Stanley Capital Services LLC | 67,217                                                     | (48,533)                                            |                                                 |                                             | 18,684                                             |
| <b>Total</b>                        | <b>\$ 855,794</b>                                          | <b>\$(815,679)</b>                                  |                                                 |                                             | <b>\$ 40,115</b>                                   |

**BNA**

| <b>Counterparty</b> | <b>Derivative Liabilities Subject to an MNA by Counterparty</b> | <b>Derivatives Available for Offset<sup>1</sup></b> | <b>Non-cash Collateral Pledged</b> | <b>Cash Collateral Pledged<sup>2</sup></b> | <b>Net Amount of Derivative Liabilities<sup>3</sup></b> |
|---------------------|-----------------------------------------------------------------|-----------------------------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------------------|
| Bank of America NA  | \$ 19,878                                                       | \$ (19,878)                                         |                                    |                                            |                                                         |

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|                                     |                      |                    |                      |                  |
|-------------------------------------|----------------------|--------------------|----------------------|------------------|
| Barclays Bank PLC                   | 731,918              | (70,542)           | \$ (520,000)         | \$141,376        |
| Citibank NA                         | 269,324 <sup>5</sup> | (55,952)           |                      | 213,372          |
| Credit Suisse International         | 25,531               | (25,531)           |                      |                  |
| Deutsche Bank AG                    | 867,762              | (571,140)          | (200,000)            | 96,622           |
| Goldman Sachs Bank USA              | 20,846               | (20,846)           |                      |                  |
| HSBC Bank PLC                       | 5,465                | (3,257)            |                      | 2,208            |
| JPMorgan Chase Bank NA              | 428,283              |                    | (428,283)            |                  |
| Morgan Stanley Capital Services LLC | 48,533               | (48,533)           |                      |                  |
| UBS AG                              | 2,456                |                    |                      | 2,456            |
| <b>Total</b>                        | <b>\$2,419,996</b>   | <b>\$(815,679)</b> | <b>\$(1,148,283)</b> | <b>\$456,034</b> |

**BKT**

| <b>Counterparty</b>      | <b>Derivative Assets Subject to an MNA by Counterparty</b> | <b>Derivatives Available for Offset<sup>1</sup></b> | <b>Non-cash Collateral Received<sup>6</sup></b> | <b>Cash Collateral Received<sup>6</sup></b> | <b>Net Amount of Derivative Assets</b> |
|--------------------------|------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|---------------------------------------------|----------------------------------------|
| Citibank N.A.            | \$ 916,650                                                 |                                                     |                                                 | \$ (916,650)                                |                                        |
| Goldman Sachs Bank USA   | 461,612                                                    |                                                     | \$ (461,612)                                    |                                             |                                        |
| JPMorgan Chase Bank N.A. | 3,500,300                                                  | \$(197,887)                                         |                                                 | (3,302,413)                                 |                                        |
| UBS AG                   | 1,205,152                                                  |                                                     | (1,205,152)                                     |                                             |                                        |
| <b>Total</b>             | <b>\$6,083,714</b>                                         | <b>\$(197,887)</b>                                  | <b>\$(1,666,764)</b>                            | <b>\$(4,219,063)</b>                        |                                        |

**BKT**

| <b>Counterparty</b>      | <b>Derivative Liabilities Subject to an MNA by Counterparty</b> | <b>Derivatives Available for Offset<sup>1</sup></b> | <b>Non-cash Collateral Pledged</b> | <b>Cash Collateral Pledged<sup>2</sup></b> | <b>Net Amount of Derivative Liabilities</b> |
|--------------------------|-----------------------------------------------------------------|-----------------------------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------|
| Deutsche Bank AG         | \$ 7,721,082                                                    |                                                     |                                    | \$(7,721,082)                              |                                             |
| JPMorgan Chase Bank N.A. | 197,887                                                         | \$(197,887)                                         |                                    |                                            |                                             |
| <b>Total</b>             | <b>\$ 7,918,969</b>                                             | <b>\$(197,887)</b>                                  |                                    | <b>\$(7,721,082)</b>                       |                                             |

<sup>1</sup> The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

<sup>2</sup> Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.

<sup>3</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

<sup>4</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>5</sup> Derivative contract can be offset with options written receivable of \$145,800.

<sup>6</sup> Excess of collateral received from the individual counterparty is not shown for financial reporting purposes.

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## Notes to Financial Statements (continued)

**5. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate, for 1940 Act purposes, of BlackRock, Inc. ( BlackRock ).

Each Trust entered into an Investment Advisory Agreement with 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 and HYT.

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% |
| HYT | 0.60% |

From September 1, 2013 through November 17, 2013, HYT paid the Manager an investment advisory fee computed and paid monthly based on an annual rate of 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% |

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.

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 six months ended February 28, 2014, the Manager waived \$83,265, which is included in fees waived by Manager in the Statements of Operations for BHK.

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 six months ended February 28, 2014, the amounts waived were as follows:

---

|     |         |
|-----|---------|
| BHK | \$2,125 |
| HYT | \$ 700  |
| BNA | \$1,733 |
| BKT | \$3,898 |

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, HYT pays the Manager based on the HYT's net assets, which includes the assets of the Taxable Subsidiaries.

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager, with respect to each Trust. 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, which is included in Officer and Trustees in the Statements of Operations.

**6. Purchases and Sales:**



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Purchases and sales of investments including paydowns, mortgage dollar roll and TBA transactions and excluding short-term securities and US government securities for the six months ended February 28, 2014, were as follows:

|     | <b>Purchases</b> | <b>Sales</b>  |
|-----|------------------|---------------|
| BHK | \$222,685,961    | \$227,067,583 |
| HYT | \$455,653,801    | \$493,280,391 |
| BNA | \$220,298,327    | \$216,974,001 |
| BKT | \$916,864,623    | \$885,862,640 |

Purchases and sales of US government securities for the Trusts for the six months ended February 28, 2014 were as follows:

|     | <b>Purchases</b> | <b>Sales</b> |
|-----|------------------|--------------|
| BNA | \$5,098,564      |              |
| BKT | \$2,938,825      | \$10,789,527 |

For the six months ended February 28, 2014, purchases and sales related to mortgage dollar rolls were as follows:

|     | <b>Purchases</b> | <b>Sales</b>  |
|-----|------------------|---------------|
| BHK | \$ 93,936,898    | \$ 94,188,078 |
| BNA | \$ 93,944,492    | \$ 94,195,672 |
| BKT | \$450,310,739    | \$450,543,556 |

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## Notes to Financial Statements (continued)

Transactions in options written for the six months ended February 28, 2014, were as follows:

|                                          | Calls                       |                      | Puts      |                                           |
|------------------------------------------|-----------------------------|----------------------|-----------|-------------------------------------------|
|                                          | Notional<br>Contracts (000) | Premiums<br>Received | Contracts | Notional<br>(000)<br>Premiums<br>Received |
| <b>BHK</b>                               |                             |                      |           |                                           |
| Outstanding options, beginning of period | \$ 30,700                   | \$ 66,601            |           | \$ 55,300<br>\$ 735,472                   |
| Options written                          | 76,000                      | 1,308,187            |           | 74,300<br>1,657,353                       |
| Options closed                           | (50,900)                    | (699,376)            |           | (35,700)<br>(687,707)                     |
| Outstanding options, end of period       | \$ 55,800                   | \$ 675,412           |           | \$ 93,900<br>\$1,705,118                  |
| <b>HYT</b>                               |                             |                      |           |                                           |
| Outstanding options, beginning of period |                             |                      | 3,595     | \$ 432,862                                |
| Options expired                          |                             |                      | (3,595)   | (432,862)                                 |
| Outstanding options, end of period       |                             |                      |           |                                           |
| <b>BNA</b>                               |                             |                      |           |                                           |
| Outstanding options, beginning of period | \$ 30,900                   | \$ 67,034            |           | \$ 55,500<br>\$ 737,000                   |
| Options written                          | 76,200                      | 1,315,206            |           | 74,400<br>1,664,106                       |
| Options closed                           | (51,100)                    | (702,587)            |           | (35,800)<br>(690,730)                     |
| Outstanding options, end of period       | \$ 56,000                   | \$ 679,653           |           | \$ 94,100<br>\$1,710,376                  |

**7. Income Tax Information:**

As of August 31, 2013, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires August 31,              | BHK                 | HYT                 | BNA                 | BKT                |
|---------------------------------|---------------------|---------------------|---------------------|--------------------|
| 2016                            | \$ 2,941,545        |                     | \$ 191,888          |                    |
| 2017                            | 7,416,000           | \$13,961,125        | 7,369,088           |                    |
| 2018                            |                     | 54,927,764          | 10,964,638          |                    |
| No expiration date <sup>1</sup> |                     |                     |                     | \$6,511,246        |
| <b>Total</b>                    | <b>\$10,357,545</b> | <b>\$68,888,889</b> | <b>\$18,525,614</b> | <b>\$6,511,246</b> |

<sup>1</sup> Must be utilized prior to losses subject to expiration.

As of February 28, 2014 gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

|                                            | BHK           | HYT             | BNA           | BKT            |
|--------------------------------------------|---------------|-----------------|---------------|----------------|
| Tax cost                                   | \$543,718,828 | \$2,263,181,311 | \$552,554,090 | \$736,329,407  |
| Gross unrealized appreciation              | \$ 32,043,185 | \$ 150,370,206  | \$ 32,802,247 | \$ 27,120,106  |
| Gross unrealized depreciation              | (8,703,626)   | (59,279,736)    | (9,432,982)   | (29,630,822)   |
| Net unrealized appreciation (depreciation) | \$ 23,339,559 | \$ 91,090,470   | \$ 23,369,265 | \$ (2,510,716) |

#### 8. Borrowings

HYT is party to a senior committed secured, 360-day rolling line of credit facility and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). SSB may elect to terminate its commitment upon 360-days written notice to HYT. HYT has granted a security interest in substantially all of its assets to SSB.

The SSB Agreement allows for a maximum commitment amount of \$798,000,000 for HYT.

Advances will be made by SSB to HYT, at HYT's option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, HYT pays a facility fee and utilization fee (based on the daily unused portion of the commitments). The commitment fees are waived if HYT meets certain conditions. The fees associated with the agreement is included in the Statements of Operations as borrowing costs. Advances to HYT as of February 28, 2014 are shown in the Statements of Assets and Liabilities as bank borrowings 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.

HYT 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 six months ended February 28, 2014, the daily weighted average interest rates for HYT with loans under the revolving credit agreements was 0.91%.

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## Notes to Financial Statements (concluded)

For the six months ended February 28, 2014, the daily weighted average interest rates for Trusts with borrowings, which include reverse repurchase agreements, were as follows:

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| <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |        |
|-----------------------------------------------------|--------|
| BHK                                                 | 0.24 % |
| BNA                                                 | 0.25 % |
| BKT                                                 | 0.17 % |

**9. 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.

The Trusts invest a significant portion of their assets in fixed income securities and/or use derivatives tied to the fixed income markets. See the Schedules of Investments for these securities and/or derivatives. Changes in market interest rates or economic conditions, including the Federal Reserve's decision in December 2013 to taper its quantitative easing policy, may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Trusts may be subject to a greater risk of rising interest rates due to the current period of historically low rates.

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.

**10. Capital Share Transactions:**

BHK is 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. HYT is authorized to issue 200 million shares, par value \$0.10, all of which were initially classified as Common Shares. The Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

---

|     | <b>Six Months<br/>Ended<br/>February 28,<br/>2014</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
|-----|-------------------------------------------------------|-------------------------------------------|
| BHK | 14,416                                                |                                           |
| HYT | 39,051                                                |                                           |

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Shares issued and outstanding increased 91,181,428 due to the reorganization during the six months ended February 29, 2014 for HYT.

Shares issued and outstanding remained constant during the six months ended February 28, 2014 and the year ended August 31, 2013 for BNA and BKT.

### 11. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Trusts' financial statements was completed through the date the financial statements were issued and the following items were noted:

The Trusts paid a net investment income dividend on March 31, 2014 to shareholders of record on March 14, 2014 as follows:

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|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|------------------------------------------|
| BHK | \$ 0.0755                                |
| HYT | \$ 0.0805                                |
| BNA | \$ 0.0595                                |
| BKT | \$ 0.0350                                |

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Additionally, the Trusts declared a net investment income dividend on April 1, 2014 payable to shareholders of record on April 15, 2014 for the same amounts noted above.

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Officers and Trustees

Richard E. Cavanagh, Chairman of the Board and Trustee

Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee

Paul L. Audet, Trustee

Michael J. Castellano, Trustee and Member of the Audit Committee

Frank J. Fabozzi, Trustee and Member of the Audit Committee

Kathleen F. Feldstein, Trustee

James T. Flynn, Trustee and Member of the Audit Committee

Henry Gabbay, Trustee

Jerrold B. Harris, Trustee

R. Glenn Hubbard, Trustee

W. Carl Kester, Trustee and Member of the Audit Committee

John M. Perlowski, President and Chief Executive Officer

Brendan Kyne, Vice President

Robert W. Crothers, Vice President

Neal Andrews, Chief Financial Officer

Jay Fife, Treasurer

Brian Kindelan, Chief Compliance Officer and Anti-Money Laundering Officer

Janey Ahn, Secretary

**Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

**Sub-Advisor**

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

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Additional Information  
**Proxy Results**

At a special meeting of all shareholders of BlackRock Corporate High Yield Fund, Inc. (the Fund ) held on Friday, October 11, 2013, the results were as follows:

With respect to the Proposal, the shares of the Fund were voted as follows:

|                                                                                                                                                                                                                                               | <b>Votes<br/>For</b> | <b>Votes<br/>Against</b> | <b>Abstain</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|----------------|
| To approve the Agreement and Plan of Reorganization between BlackRock High Yield Trust and the Fund and the issuance by the Fund of additional shares of common stock in connection herewith.                                                 | 19,556,865           | 723,608                  | 508,655        |
| To approve the Agreement and Plan of Reorganization between BlackRock Corporate High Yield Fund, Inc. and the Fund and the issuance by the Fund of additional shares of common stock in connection herewith.                                  | 17,782,750           | 2,482,141                | 524,238        |
| To approve the Agreement and Plan of Reorganization between BlackRock Corporate High Yield Fund III, Inc. and the Fund and the issuance by the Fund of additional shares of common stock in connection herewith.                              | 19,540,325           | 726,231                  | 522,573        |
| To approve the Agreement and Plan of Reorganization among BlackRock High Income Shares, the Fund, and a direct, wholly-owned subsidiary of the Fund and the issuance by the Fund of additional shares of common stock in connection herewith. | 19,541,733           | 739,325                  | 508,072        |
| To approve the Agreement and Plan of Reorganization between BlackRock Corporate High Yield Fund V, Inc. and the Fund and the issuance by the Fund of additional shares of common stock in connection herewith.                                | 19,538,892           | 723,377                  | 526,861        |

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Additional Information (continued)

**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 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 portion of dividend distributions that exceeds a Trust's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return on capital. Dividend 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. The Trusts' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

**General Information**

The Trusts do not make available copies of their Statements of Additional Information because the Trusts' shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust's offerings and the information contained in each Trust's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charter or by-laws that would delay or prevent a change of control of the Trusts that were not approved by shareholders or in the principal risk factors associated with investment in the Trusts. 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, current net asset value and other information regarding the Trusts may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website 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) 882-0052.

**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) 882-0052.

Additional Information (continued)  
**General Information (concluded)**

**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) 882-0052; (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) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

**Availability of Trust Updates**

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. 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.

**Section 19(a) Notices**

These amounts and sources of distributions reported are only estimates provided to you pursuant to regulatory requirements 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 tell you how to report these distributions for federal income tax purposes.

**February 28, 2014**

|     | Total Cumulative Distributions for the Fiscal Year-to-Date |                            |                   | % Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date |                       |                            |                   |                        |
|-----|------------------------------------------------------------|----------------------------|-------------------|-------------------------------------------------------------------------------|-----------------------|----------------------------|-------------------|------------------------|
|     | Net Investment Income                                      | Net Realized Capital Gains | Return of Capital | Total Per Common Share                                                        | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share |
| HYT | \$0.562500                                                 |                            |                   | \$0.562500                                                                    | 100%                  | 0%                         | 0%                | 100%                   |

The Trust estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in the Trust is returned to the shareholder. A return of capital does not necessarily reflect the Trust's investment performance and should not be confused with 'yield' or 'income'. When distributions exceed total return performance, the difference will incrementally reduce the Trust's net asset value per share.

**Shelf Offering Program**

From time-to-time, each Trust may seek to raise additional equity capital through an equity shelf program (a Shelf Offering). In a Shelf Offering, a Trust may, subject to market conditions, raise additional equity capital by issuing new Common Shares from time to time in varying amounts at a net price at or above the Trust's net asset value (NAV) per Common Share (calculated within 48 hours of pricing). While any such Shelf Offering may allow a Trust to pursue additional investment opportunities without the need to sell existing portfolio investments, it could also entail risks including that the issuance of additional Common Shares may limit the extent to which the Common Shares are able to trade at a premium to NAV in the secondary market. The Trusts have not filed a

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registration statement with respect to any Shelf Offerings. This report is not an offer to sell Trust Common Shares and is not a solicitation of an offer to buy Trust Common Shares. If a Trust files a registration statement with respect to any Shelf Offering, the prospectus contained therein will contain more complete information about the Trust and should be read carefully before investing.

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Additional Information (concluded)

**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.

CEFBHK-2/14-SAR

Item 2 ~~Code of Ethics – Not Applicable to this semi-annual report~~

Item 3 ~~Audit Committee Financial Expert – Not Applicable to this semi-annual report~~

Item 4 ~~Principal Accountant Fees and Services – Not Applicable to this semi-annual report~~

Item 5 ~~Audit Committee of Listed Registrants – Not Applicable to this semi-annual report~~

Investments

(a) The registrant’s Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 ~~Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – Not Applicable to this semi-annual report~~

Item 8 ~~Portfolio Managers of Closed-End Management Investment Companies~~

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 ~~Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable~~

Item 10 ~~Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.~~

Item 11 ~~Controls and Procedures~~

(a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

Item 12 ~~Exhibits attached hereto~~

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

(a)(2) – Certifications – Attached hereto

(a)(3) – Not Applicable

(b) – Certifications – Attached hereto



Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Income Trust, Inc.

By: /s/ John M. Perlowski

John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Income Trust, Inc.

Date: May 1, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski

John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Income Trust, Inc.

Date: May 1, 2014

By: /s/ Neal J. Andrews

Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Income Trust, Inc.

Date: May 1, 2014