

BLACKROCK CORE BOND TRUST  
Form N-CSRS  
May 01, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-10543

Name of Fund: BlackRock Core Bond Trust (BHK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2015

Date of reporting period: 02/28/2015

Item 1 – Report to Stockholders

FEBRUARY 28, 2015

SEMI-ANNUAL REPORT (UNAUDITED)  
**BlackRock Core Bond Trust (BHK)**

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

**BlackRock Income Trust, Inc. (BKT)**

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

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The Markets in Review

Dear Shareholder,

Market volatility, while remaining below the long-term average level, increased over the course of 2014 and into 2015, driven largely by higher valuations in risk assets (such as equities and high yield bonds), geopolitical risks, uneven global economic growth and uncertainty around policy moves from the world's largest central banks. As the U.S. Federal Reserve (the Fed) gradually reduced its bond buying program (which ultimately ended in October 2014), U.S. interest rates surprisingly trended lower during the period.

The first half of 2014 was generally a strong period for most asset classes; however, volatility ticked up in the summer as geopolitical tensions intensified in Ukraine and the Middle East and investors feared that better U.S. economic indicators may compel the Fed to increase short-term interest rates sooner than previously anticipated. Global credit markets tightened as the U.S. dollar strengthened versus other currencies, ultimately putting a strain on investor flows, and financial markets broadly weakened in the third quarter.

Several themes dominated the markets in the fourth quarter that resulted in the strong performance of U.S. markets versus other areas of the world. Economic growth strengthened considerably in the United States while the broader global economy showed signs of slowing. The European Central Bank and the Bank of Japan took aggressive measures to stimulate growth while the Fed moved toward tighter policy, causing further strengthening in the U.S. dollar. Fixed income investors piled into U.S. Treasuries where yields remained persistently low, but were comparatively higher than yields on international sovereign debt, while equity investors favored the relative stability of U.S.-based companies amid rising global risks.

Oil prices, which had been gradually declining since mid-summer, plummeted in the fourth quarter due to a global supply-and-demand imbalance. Energy-related assets sold off sharply and emerging markets struggled as many of those economies rely heavily on oil exports. Conversely, the consumer sectors benefited from lower oil prices as savings at the gas pumps freed up discretionary income for other goods and services.

These trends shifted in early 2015. U.S. equities underperformed international markets given high valuations and the anticipation of a rate hike from the Fed. Oil prices showed signs of stabilizing as suppliers became more disciplined in their exploration and production efforts. Markets in Europe and Japan rebounded, driven largely by central bank policy accommodation and improving economic data.

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 [blackrock.com](http://blackrock.com) for further insight about investing in today's markets.

Sincerely,

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

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

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**Total Returns as of February 28, 2015**

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|   | <b>6-month</b> | <b>12-month</b> |
|---|----------------|-----------------|
| U.S. large cap equities (S&P 500® Index)  | 6.12 %         | 15.51%          |
| U.S. small cap equities (Russell 2000® Index)                                     | 5.70           | 5.63            |
| International equities (MSCI Europe, Australasia, Far East Index)                 | (1.26)         | (0.03 )         |
| Emerging market equities (MSCI Emerging Markets Index)                            | (8.30)         | 5.01            |
| 3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)      | 0.01           | 0.03            |
| U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)         | 4.14           | 8.66            |
| U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)                  | 2.25           | 5.05            |
| Tax-exempt municipal bonds (S&P Municipal Bond Index)                             | 2.17           | 6.47            |
| U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index) | (0.08)         | 2.81            |

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, 2015  
**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, U.S. government and agency securities and mortgage-related securities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

On June 6, 2014, the Boards of the Trust, BlackRock Income Opportunity Trust, Inc. ( BNA ) and BlackRock Income Trust, Inc. ( BKT ) approved the reorganizations of BKT and BNA into the Trust, with the Trust continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the shareholders of the Trust and BNA approved the reorganization of BNA into the Trust, which was completed on November 10, 2014. The reorganization of BKT into the Trust was not approved by BKT shareholders.

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, 2015, the Trust returned 5.79% based on market price and 4.37% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 1.34% based on market price and 0.78% 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 main contributors to the Trust s performance were its exposure to investment grade corporate credit, particularly within industrials and financials, U.S. Treasuries and high yield and supra-sovereign securities (supranational entities formed by two or more central governments to promote economic development for the member countries). Other contributors included non-U.S. dollar exposure and positions in commercial mortgage-backed securities ( CMBS ), agency mortgage-backed securities ( MBS ) 30-year pass-throughs and asset-backed securities ( ABS ).

There were no material detractors from performance during the period.

**Describe recent portfolio activity.**

For the most part, the Trust s allocations remained consistent throughout the six-month period, with its largest positions in investment grade and high yield corporate credit, followed by allocations in securitized credits, specifically ABS and CMBS. The largest position change came in form of increasing the Trust s exposure to U.S. Treasuries.

**Describe portfolio positioning at period end.**

At period end, the Trust maintained diversified exposure to mainly non-government spread sectors, including investment grade credit, high yield credit, CMBS, ABS and non-agency residential MBS. The Trust also held exposure to government-related sectors including U.S. 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, 2015 (\$13.78) <sup>1</sup> | 6.57%             |
| 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, 2015 <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.

<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 10.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/15 | 8/31/14 | Change  | High    | Low     |
|-----------------|---------|---------|---------|---------|---------|
| Market Price    | \$13.78 | \$13.64 | 1.03%   | \$14.03 | \$12.98 |
| Net Asset Value | \$15.19 | \$15.24 | (0.33)% | \$15.39 | \$14.70 |

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

## Overview of the Trust's Total Investments

| Portfolio Composition                       | 2/28/15 | 8/31/14 <sup>4</sup> |
|---|---------|----------------------|
| Corporate Bonds                             | 50%     | 55%                  |
| Non-Agency Mortgage-Backed Securities       | 10      | 10                   |
| Preferred Securities                        | 10      | 8                    |
| Asset-Backed Securities                     | 9       | 5                    |
| U.S. Treasury Obligations                   | 9       | 10                   |
| U.S. Government Sponsored Agency Securities | 9       | 9                    |
| Municipal Bonds                             | 2       | 2                    |
| Foreign Agency Obligations                  | 2       | 1                    |
| Options Written                             | (1)     |                      |
| Other <sup>5</sup>                          |         |                      |

<sup>4</sup> Information has been revised to conform to current year presentation.

<sup>5</sup> Includes a less than 1% holding in each of the following investment types: Short-Term Securities and Options Purchased.

<sup>6</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's ( S&P ) or Moody's Investors Service ( Moody's ) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are

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credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

| <b>Credit Quality Allocation<sup>6,7</sup></b> | <b>2/28/15</b> | <b>8/31/14</b> |
|--|----------------|----------------|
| AAA/Aaa <sup>8</sup>                           | 21%            | 24%            |
| AA/Aa  | 8              | 7              |
| A  | 18             | 18             |
| BBB/Baa  | 26             | 28             |
| BB/Ba  | 12             | 13             |
| B  | 7              | 7              |
| CCC/Caa  | 2              | 1              |
| N/R  | 6              | 2              |

<sup>7</sup> Excludes Short-Term Securities, Options Purchased and Options Written.

<sup>8</sup> The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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Trust Summary as of February 28, 2015  
**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**

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

For the six-month period ended February 28, 2015, the Trust returned 0.11% based on market price and (0.17)% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of (2.46)% based on market price and (1.60)% 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 high yield market was essentially flat for the full six months, declining through December before recovering its losses late in the period. However, the Trust s allocation to floating-rate high yield loans contributed positively to performance, as that segment rose modestly near the end of the period. Exposure to the equity of high yield companies detracted from returns.

The Trust s exposure to the energy sector was the leading detractor as the price of oil finished the period significantly lower, from about \$100 a barrel at the beginning to about \$50 a barrel at the end. This led to declines in energy-related high-yield issues. Holdings within metals & mining also detracted as those commodities also came under pressure in the face of slower growth prospects. The Trust s use of leverage acted to magnify losses in both sectors.

The Trust s most commonly used derivative strategy is to utilize short positions in equity futures in order to reduce overall risk in the portfolio and manage the volatility of its equity holdings. Those positions detracted given the positive performance of the overall equity market during the period.

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

During the period, the Trust reduced risk modestly in the portfolio, based on the view that the market is likely to see increased volatility, making its overall risk-return profile less attractive. The Trust also modestly reduced its equity holdings and increased the size of its equity futures. In addition, the Trust increased its holdings in more liquid high yield positions, such as its allocation to high yield index ETFs.

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

At period end, the Trust held the majority of its total portfolio in corporate bonds, with the next significant allocation being in floating rate loan interests (bank loans), and a modest percentage in common stocks. The remainder was invested in preferred stocks and other interests. The Trust was broadly diversified with holdings in more than 450 companies, while the top 25 highest conviction holdings represented about one-quarter of overall portfolio assets.

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

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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, 2015 (\$11.52) <sup>1</sup> | 7.86%        |
| 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, 2015 <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 monthly distribution per Common Share, declared on March 2, 2015, was decreased to \$0.0700 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 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 10.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/15 | 8/31/14 | Change  | High    | Low     |
|-----------------|---------|---------|---------|---------|---------|
| Market Price    | \$11.52 | \$12.07 | (4.56)% | \$12.10 | \$10.62 |
| Net Asset Value | \$12.82 | \$13.47 | (4.83)% | \$13.47 | \$12.31 |

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

## Overview of the Trust's Total Investments

| Portfolio Composition        | 2/28/15 | 8/31/14 <sup>4</sup> |
|------------------------------|---------|----------------------|
| Corporate Bonds              | 73%     | 75%                  |
| Floating Rate Loan Interests | 11      | 12                   |
| Common Stocks                | 7       | 9                    |
| Preferred Securities         | 5       | 3                    |
| Asset-Backed Securities      | 2       | 1                    |
| Investment Companies         | 2       |                      |
| Other                        | 5       | 6                    |

<sup>4</sup> Information has been revised to conform to current year presentation.

<sup>5</sup> Includes a less than 1% holding in each of the following investment types: Non-Agency Mortgage-Backed Securities, Warrants, Other Interests and Options Purchased.

<sup>6</sup> Includes a less than 1% holding in each of the following investment types: Non-Agency Mortgage-Backed Securities, Warrants, Other Interests, Short-Term Securities and Options Purchased.

| <b>Credit Quality Allocation<sup>7</sup></b> | <b>2/28/15</b> | <b>8/31/14</b> |
|--|----------------|----------------|
| A  | 1%             | 8              |
| BBB/Baa                                      | 8              | 4%             |
| BB/Ba  | 33             | 33             |
| B  | 37             | 38             |
| CCC/Caa                                      | 9              | 13             |
| N/R  | 12             | 12             |

<sup>7</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>8</sup> Representing less than 0.5% of the Trust's total investments.

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Trust Summary as of February 28, 2015

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 U.S. 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.

On June 6, 2014, the Boards of the Trust, BlackRock Income Opportunity Trust, Inc. ( BNA ) and BlackRock Core Bond Trust ( BHK ) approved the reorganizations of the Trust and BNA into BHK, with BHK continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the reorganization of the Trust into BHK was not approved by BKT shareholders.

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, 2015, the Trust returned 3.31% based on market price and 1.88% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 1.53% based on market price and 1.58% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust s exposure to agency collateralized mortgage obligations ( CMOs ) and U.S. agency debt contributed positively to performance. The Trust continued to benefit 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 ).

The Trust s duration positioning, as well as its exposure to agency MBS, detracted from performance.

The Trust uses interest rate derivatives, including futures and swaps, mainly for the purpose of managing duration, convexity (the rate at which duration changes in response to interest rate movements) and yield curve positioning.

During the period, the Trust held short positions on U.S. 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 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 marginally decreased overall exposure to agency MBS, with most of the reduction coming from the allocation to 30-year pass-throughs. The Trust also retained its selective allocations in asset-backed securities, CMBS and non-agency MBS based on a increasing yields and continued improvement in underlying fundamentals.

**Describe portfolio positioning at period end.**

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At period end, the Trust maintained exposure to high quality agency MBS with varying maturities and coupon rates. The Trust continued to be overweight agency CMOs while holding an underweight to 15- and 30-year agency pass-throughs. The Trust continued to hold small allocations in non-agency MBS and CMBS. The Trust also maintained a relatively neutral duration compared with the benchmark.

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 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, 2015 (\$6.42) <sup>1</sup> | 6.54%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.035       |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$0.420       |
| Economic Leverage as of February 28, 2015 <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 monthly distribution per Common Share, declared on March 2, 2015, was decreased to \$0.031 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 10.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/15 | 8/31/14 | Change  | High   | Low    |
|-----------------|---------|---------|---------|--------|--------|
| Market Price    | \$6.42  | \$6.42  | 0.00%   | \$6.52 | \$6.30 |
| Net Asset Value | \$7.17  | \$7.27  | (1.38)% | \$7.27 | \$7.12 |

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

## Overview of the Trust's Total Investments

| Portfolio Composition                       | 2/28/15      | 8/31/14 <sup>4</sup> |
|---|--------------|----------------------|
| U.S. Government Sponsored Agency Securities | 103%         | 103%                 |
| U.S. Treasury Obligations                   | 2            | 1                    |
| Non-Agency Mortgage-Backed Securities       | 1            | 2                    |
| Asset-Backed Securities                     | 1            | 1                    |
| Short-Term Securities                       |              | 1                    |
| TBA Sale Commitments                        | (7)          | (8)                  |
| Borrowed Bonds                              | <sub>5</sub> | <sub>5</sub>         |

<sup>4</sup> Information has been revised to conform to current year presentation.

<sup>5</sup> Representing greater than (0.5)% of the Trust's total investments.

|  |   |         |                      |
|--|---|---------|----------------------|
| Credit Quality Allocation <sup>6,7</sup> | — | 2/28/15 | 8/31/14 <sup>4</sup> |
|--|---|---------|----------------------|

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|                      |     |     |
|----------------------|-----|-----|
| AAA/Aaa <sup>8</sup> | 98% | 97% |
| AA                   | 1   | 1   |
| NR                   | 1   | 2   |

<sup>6</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>7</sup> Excludes Short-Term Securities.

<sup>8</sup> The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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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 its 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.

If a Trust segregates or designates on its books and records cash or liquid assets having values not less than the value of the Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction will not be considered a senior security and will not be subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments. 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 manage commodity, market, equity, credit, interest rate, foreign currency exchange rate and/or other risks. Derivative financial instruments may give rise to a form of economic leverage. Derivative financial instruments also 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 limit the amount of appreciation a Trust can realize on an investment and/or may result in lower distributions paid to shareholders and, 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)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments February 28, 2015 (Unaudited)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Asset-Backed Securities</b>  |     |                      |              |
| <b>Asset-Backed Securities 13.2%</b>  |     |                      |              |
| AmeriCredit Automobile Receivables Trust, Series 2011-5, Class C, 3.44%, 10/08/17       | USD | 800                  | \$ 810,431   |
| AMMC CLO IX, Ltd., Series 2011-9A, Class D, 4.75%, 1/15/22 (a)(b)                       |     | 2,000                | 2,004,330    |
| Apidos CDO XI, Series 2012-11A, Class D, 4.51%, 1/17/23 (a)(b)                          |     | 1,200                | 1,199,958    |
| Apidos CLO XIX, Series 2014-19A, Class D, 3.96%, 10/17/26 (a)(b)                        |     | 1,000                | 952,000      |
| Ares CLO, Ltd., Series 2014-32A, Class C, 4.45%, 11/15/25 (a)(b)                        |     | 1,250                | 1,241,675    |
| Ares XXIII CLO, Ltd., Series 2012-1AR (a)(b):   |     |                      |              |
| Class CR, 3.46%, 4/19/23  |     | 4,000                | 3,980,440    |
| Class DR, 4.41%, 4/19/23  |     | 3,000                | 2,992,110    |
| Atrium CDO Corp., Series 9A, Class D, 3.76%, 2/28/24 (a)(b)                             |     | 1,500                | 1,441,590    |
| Babson CLO Ltd. (a):  |     |                      |              |
| Series 2012-1X, Class B, 2.75%, 4/15/22   |     | 1,000                | 967,030      |
| Series 2014-3A, Class C1, 3.23%, 1/15/26 (b)  |     | 2,000                | 1,955,000    |
| Series 2014-3A, Class D1, 3.73%, 1/15/26 (b)  |     | 1,500                | 1,400,625    |
| Battalion CLO VII Ltd., Series 2014-7A, Class C, 4.10%, 10/17/26 (a)(b)                 |     | 2,000                | 1,923,964    |
| Benefit Street Partners CLO III Ltd., Series 2013-III A, Class C, 3.50%, 1/20/26 (a)(b) |     | 1,000                | 927,850      |
| Benefit Street Partners CLO V Ltd., Series 2014-VA, Class C, 3.36%, 10/20/26 (a)(b)     |     | 1,500                | 1,461,774    |
| Bowman Park CLO Ltd., Series 2014-1A, Class D2, 4.19%, 11/23/25 (a)(b)                  |     | 3,000                | 2,907,300    |
| Brookside Mill CLO Ltd., Series 2013-1A, Class C1, 2.95%, 4/17/25 (a)(b)                |     | 1,000                | 961,240      |
| CarMax Auto Owner Trust, Series 2012-1:   |     |                      |              |
| Class B, 1.76%, 8/15/17   |     | 420                  | 423,901      |
| Class C, 2.20%, 10/16/17  |     | 250                  | 253,381      |
| Class D, 3.09%, 8/15/18   |     | 315                  | 320,909      |
| CenterPoint Energy Transition Bond Co. LLC, Series 2012-1, Class A3, 3.03%, 10/15/25    |     | 2,210                | 2,282,112    |
| CIFC Funding 2014-IV Ltd., Series 2014-4A, Class D, 3.66%, 10/17/26 (a)(b)              |     | 2,000                | 1,888,849    |
| CIFC Funding 2014-V, Ltd., Series 2014-5A (a)(b):                                       |     |                      |              |
| Class C, 3.59%, 1/17/27   |     | 555                  | 546,176      |
| Class D2, 4.74%, 1/17/27  |     | 555                  | 544,289      |
| CIFC Funding 2015-1, Ltd., Series 2015-1A, Class C, 3.26%, 1/22/27 (a)(b)(c)            |     | 1,000                | 981,036      |
| CIFC Funding Ltd. (a)(b):   |     |                      |              |
| Series 2012-1AR, Class B1R, 4.41%, 8/14/24  |     | 1,500                | 1,488,095    |
| Series 2013-IA, Class B, 3.06%, 4/16/25   |     | 1,000                | 973,328      |
| Countrywide Asset-Backed Certificates, Series 2006-13, Class 3AV2, 0.32%, 1/25/37 (a)   |     | 779                  | 735,154      |
| DCP Rights LLC, Series 2014-1A, Class A, 5.46%, 10/25/44 (b)                            |     | 4,015                | 4,054,209    |
| Dryden 34 Senior Loan Fund, Series 2014-34A, Class C, 3.05%, 10/15/26 (a)(b)            |     | 2,000                | 1,948,755    |
| Dryden XXIV Senior Loan Fund, Series 2012-24A, Class D, 5.01%, 11/15/23 (a)(b)          |     | 500                  | 505,430      |
| <br>  |     |                      |              |
| <b>Asset-Backed Securities</b>  |     |                      |              |
| <b>Asset-Backed Securities (continued)</b>  |     |                      |              |
| Ford Credit Floorplan Master Owner Trust, Series 2012-2:                                |     |                      |              |
| Class B, 2.32%, 1/15/19   | USD | 490                  | \$ 497,882   |
| Class C, 2.86%, 1/15/19   |     | 210                  | 215,287      |

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|  |       |           |
|--|-------|-----------|
| Class D, 3.50%, 1/15/19  | 400   | 414,461   |
| Galaxy CLO Ltd., Series 2014-18A, Class C1, 3.26%, 10/15/26 (a)(b)                       | 1,625 | 1,604,053 |
| Galaxy XV CLO Ltd., Series 2013-15A, Class C, 2.85%, 4/15/25 (a)(b)                      | 1,000 | 967,256   |
| GoldenTree Loan Opportunities IX Ltd., Series 2014-9A, Class D, 3.82%, 10/29/26 (a)(b)   | 1,000 | 955,211   |
| Highbridge Loan Management 4-2015, Ltd., Series 5A-2015, Class C1, 3.44%, 1/29/26 (a)(b) | 4,000 | 3,921,323 |
| ING IM CLO Ltd., Series 2012-2A, Class C, 3.70%, 10/15/22 (a)(b)                         | 1,500 | 1,503,939 |
| Limerock CLO III LLC, Series 2014-3A, Class C, 3.83%, 10/20/26 (a)(b)                    | 4,500 | 4,245,750 |
| NACM CLO I, Series 2006-1A, Class B, 1.01%, 6/20/19 (a)(b)                               | 5,000 | 4,935,398 |
| Nelnet Student Loan Trust (a):   |       |           |
| Series 2006-1, Class A5, 0.37%, 8/23/27  | 1,050 | 1,040,885 |
| Series 2008-3, Class A4, 1.91%, 11/25/24   | 1,235 | 1,279,033 |
| Neuberger Berman CLO XVIII Ltd., Series 2014-18A, Class C, 3.98%, 11/14/25 (a)(b)        | 2,250 | 2,145,983 |
| Oaktree EIF II Series A1, Ltd., Series 2015-B1A, Class C, 3.46%, 2/15/26 (a)(b)(c)       | 1,000 | 984,240   |
| Oaktree EIF II Series A2, Ltd., Series 2014-A2, Class C, 3.50%, 11/15/25 (a)(b)          | 2,250 | 2,222,151 |
| Octagon Investment Partners XX Ltd., Series 2014-1A (a)(b):                              |       |           |
| Class C, 3.06%, 8/12/26  | 1,000 | 969,252   |
| Class D, 3.91%, 8/12/26  | 1,000 | 965,001   |
| Octagon Investment Partners XXI Ltd., Series 2014-1A, Class C, 3.88%, 11/14/26 (a)(b)    | 2,000 | 1,922,061 |
| Octagon Investment Partners XXII Ltd., Series 2014-1A, Class C1, 3.54%, 11/22/25 (a)(b)  | 2,000 | 1,993,516 |
| OneMain Financial Issuance Trust 2015-1, Series 2015-1A, Class D, 6.63%, 3/18/26 (b)     | 5,575 | 5,573,885 |
| OZLM Funding III, Ltd., Series 2013-3A (a)(b):   |       |           |
| Class B, 3.36%, 1/22/25  | 1,500 | 1,475,368 |
| Class C, 4.16%, 1/22/25  | 500   | 488,938   |
| OZLM VII Ltd., Series 2014-7A, Class C, 3.86%, 7/17/26 (a)(b)                            | 470   | 448,578   |
| OZLM VIII, Ltd., Series 2014-8A, Class C, 3.78%, 10/17/26 (a)(b)                         | 2,000 | 1,896,659 |
| Regatta V Funding Ltd., Series 2014-1A, Class C, 3.68%, 10/25/26 (a)(b)                  | 2,000 | 1,889,553 |
| Santander Drive Auto Receivables Trust:  |       |           |
| Series 2011-1, Class D, 4.01%, 2/15/17   | 1,869 | 1,888,639 |
| Series 2012-1, Class C, 3.78%, 11/15/17  | 474   | 478,969   |

**Portfolio Abbreviations**

|   |  |                                    |
|---|--|------------------------------------|
| <b>ADR</b> American Depositary Receipts       | <b>ETF</b> Exchange-Traded Fund                  | <b>OTC</b> Over-the-Counter        |
| <b>ADS</b> American Depositary Shares         | <b>EUR</b> Euro                                  | <b>PIK</b> Payment-In-Kind         |
| <b>AUD</b> Australian Dollar                  | <b>EURIBOR</b> Euro Interbank Offered Rate       | <b>RB</b> Revenue Bonds            |
| <b>CAD</b> Canadian Dollar                    | <b>GBP</b> British Pound                         | <b>S&amp;P</b> Standard and Poor's |
| <b>CLO</b> Collateralized Loan Obligation     | <b>GO</b> General Obligation Bonds               | <b>TBA</b> To Be Announced         |
| <b>CMO</b> Collateralized Mortgage Obligation | <b>LIBOR</b> London Interbank Offered Rate       | <b>USD</b> U.S. Dollar             |
| <b>CR</b> Custodian Receipt                   | <b>MSCI</b> Morgan Stanley Capital International |                                    |
| <b>DIP</b> Debtor-In-Possession               |  |                                    |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b>       |
|---|----------------------|--------------------|
| <b>Asset-Backed Securities</b>  |                      |                    |
| <b>Asset-Backed Securities (concluded)</b>  |                      |                    |
| Silver Spring CLO Ltd., Series 2014-1A, Class D, 3.71%, 10/15/26 (a)(b)                             | USD 2,250            | \$ 2,064,216       |
| SLM Private Credit Student Loan Trust, Series 2004-B, Class A2, 0.44%, 6/15/21 (a)                  | 180                  | 179,139            |
| SLM Private Education Loan Trust, Series 2012-A, Class A1, 1.57%, 8/15/25 (a)(b)                    | 310                  | 312,702            |
| SLM Student Loan Trust:   |                      |                    |
| Series 2008-5, Class A3, 1.56%, 1/25/18 (a)   | 548                  | 550,405            |
| Series 2008-5, Class A4, 1.96%, 7/25/23 (a)   | 1,245                | 1,296,021          |
| Series 2012-A, Class A2, 3.83%, 1/17/45 (b)   | 690                  | 727,109            |
| Series 2014-A, Class B, 3.50%, 11/15/44 (b)   | 500                  | 495,069            |
| Small Business Administration Participation Certificates, Series 1996-20K, Class 1, 6.95%, 11/01/16 | 48                   | 49,923             |
| Steele Creek CLO 2014-1 Ltd., Series 2014-1A, Class C, 3.46%, 8/21/26 (a)(b)                        | 2,500                | 2,438,697          |
| Structured Asset Securities Corp., Series 2002-AL1, Class A2, 3.45%, 2/25/32                        | 960                  | 955,593            |
| Symphony CLO VII, Ltd., Series 2011-7A, Class E, 3.86%, 7/28/21 (a)(b)                              | 1,500                | 1,485,465          |
| Venture CDO Ltd., 3.39%, 10/15/26 (a)(b)  | 1,550                | 1,520,959          |
| Venture XIX CLO, Ltd., Series 2014-19A, Class C, 3.54%, 1/15/27 (a)(b)                              | 555                  | 544,677            |
| Voya CLO Ltd., Series 2014-3A, Class C, 3.86%, 7/25/26 (a)(b)                                       | 1,750                | 1,682,418          |
| World Financial Network Credit Card Master Trust, Series 2012-C, Class C, 4.55%, 8/15/22            | 2,360                | 2,464,347          |
|   |                      | 107,762,952        |
| <b>Interest Only Asset-Backed Securities 0.1%</b>   |                      |                    |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (b)                                  | 4,504                | 309,669            |
| Sterling Coofs Trust, Series 2004-1, Class A, 2.36%, 4/15/29 (b)                                    | 9,465                | 635,936            |
|   |                      | 945,605            |
| <b>Total Asset-Backed Securities 13.3%</b>  |                      | <b>108,708,557</b> |
| <hr/>   |                      |                    |
| <b>Corporate Bonds</b>  |                      |                    |
| <b>Aerospace &amp; Defense 0.3%</b>   |                      |                    |
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21   | 460                  | 495,719            |
| United Technologies Corp., 6.13%, 7/15/38 (d)   | 1,450                | 1,939,453          |
|   |                      | 2,435,172          |
| <b>Airlines 2.0%</b>  |                      |                    |
| American Airlines Pass-Through Trust, Series 2013-2:  |                      |                    |
| Class A, 4.95%, 7/15/24 (d)   | 4,315                | 4,708,220          |
| Class B, 5.60%, 1/15/22 (b)   | 936                  | 980,901            |
| Continental Airlines Pass-Through Trust:  |                      |                    |
| Series 2010-1, Class B, 6.00%, 7/12/20  | 742                  | 775,725            |
| Series 2012-3, Class C, 6.13%, 4/29/18  | 1,000                | 1,060,000          |
| United Airlines Pass-Through Trust:   |                      |                    |
| Series 2013-1, Class A, 4.30%, 2/15/27  | 3,908                | 4,181,137          |
| Series 2014-2, Class B, 4.63%, 3/03/24  | 2,750                | 2,763,750          |
| US Airways Pass-Through Trust, Series 2012-1, Class C, 9.13%, 10/01/15                              | 1,734                | 1,786,078          |
|   |                      | 16,255,811         |
| <b>Auto Components 0.8%</b>   |                      |                    |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.:   |                      |                    |

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|                |       |           |
|----------------|-------|-----------|
| 3.50%, 3/15/17 | 182   | 184,275   |
| 4.88%, 3/15/19 | 2,660 | 2,736,608 |
| 6.00%, 8/01/20 | 1,906 | 2,039,420 |
| 5.88%, 2/01/22 | 1,578 | 1,654,927 |
|                |       | 6,615,230 |

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |              |
| <b>Automobiles 1.1%</b>   |                      |              |
| Ford Motor Co., 4.75%, 1/15/43 (d)                              | USD 4,255            | \$ 4,683,011 |
| General Motors Co., 6.25%, 10/02/43                             | 2,506                | 3,109,507    |
| Jaguar Land Rover Automotive PLC, 4.13%, 12/15/18 (b)           | 1,500                | 1,563,750    |
|   |                      | 9,356,268    |
| <b>Banks 6.8%</b>   |                      |              |
| Bank of America Corp. (d):                                      |                      |              |
| 5.63%, 7/01/20  | 2,200                | 2,530,669    |
| 3.30%, 1/11/23  | 10,000               | 10,150,970   |
| Barclays Bank PLC, 7.63%, 11/21/22                              | 3,500                | 4,005,313    |
| CIT Group, Inc.:  |                      |              |
| 5.50%, 2/15/19 (b)  | 796                  | 850,685      |
| 5.38%, 5/15/20  | 3,300                | 3,547,500    |
| Depfa ACS Bank, 5.13%, 3/16/37 (b)                              | 7,925                | 10,098,629   |
| HSBC Bank Brasil SA Banco Multiplo, 4.00%, 5/11/16 (b)          | 2,800                | 2,842,000    |
| HSBC Bank PLC, 3.10%, 5/24/16 (b)                               | 1,395                | 1,435,263    |
| HSBC Holdings PLC:  |                      |              |
| 4.25%, 3/14/24  | 2,020                | 2,129,710    |
| 6.10%, 1/14/42  | 610                  | 813,790      |
| Intesa Sanpaolo SpA, 5.02%, 6/26/24 (b)                         | 2,290                | 2,357,718    |
| JPMorgan Chase & Co., 6.30%, 4/23/19 (d)                        | 3,375                | 3,920,592    |
| JPMorgan Chase Bank NA, 6.00%, 10/01/17                         | 1,600                | 1,773,944    |
| Rabobank Nederland (d):   |                      |              |
| 3.88%, 2/08/22  | 2,780                | 2,999,373    |
| 3.95%, 11/09/22   | 3,000                | 3,115,392    |
| Wells Fargo & Co., 3.50%, 3/08/22 (d)                           | 2,780                | 2,931,796    |
|   |                      | 55,503,344   |
| <b>Building Products 0.1%</b>                                   |                      |              |
| Cemex SAB de CV, 5.88%, 3/25/19 (b)                             | 400                  | 414,100      |
| <b>Capital Markets 4.8%</b>                                     |                      |              |
| CDP Financial, Inc., 5.60%, 11/25/39 (b)(d)                     | 5,890                | 7,717,449    |
| Credit Suisse Group AG, 7.50% (a)(b)(e)                         | 3,000                | 3,217,500    |
| The Goldman Sachs Group, Inc. (d):                              |                      |              |
| 5.38%, 3/15/20  | 2,435                | 2,757,859    |
| 5.25%, 7/27/21  | 6,340                | 7,198,227    |
| 5.75%, 1/24/22  | 3,615                | 4,226,568    |
| Morgan Stanley, 6.25%, 8/28/17 (d)                              | 3,855                | 4,277,893    |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (f)            | 1,645                | 1,748,383    |
| Northern Trust Corp., 3.95%, 10/30/25 (d)                       | 8,000                | 8,525,424    |
|   |                      | 39,669,303   |
| <b>Chemicals 0.8%</b>   |                      |              |
| Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems |                      |              |
| Dutch Holding BV, 7.38%, 5/01/21 (b)                            | 302                  | 326,915      |
| Axiall Corp., 4.88%, 5/15/23                                    | 304                  | 309,320      |



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|   |       |           |
|---|-------|-----------|
| The Dow Chemical Co., 4.13%, 11/15/21                             | 700   | 756,520   |
| Huntsman International LLC, 4.88%, 11/15/20                       | 595   | 612,106   |
| Methanex Corp., 3.25%, 12/15/19                                   | 4,148 | 4,217,882 |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20    | 322   | 346,150   |
|   |       | 6,568,893 |
| <b>Commercial Services &amp; Supplies 1.1%</b>                    |       |           |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20                         | 491   | 510,640   |
| Aviation Capital Group Corp. (b):                                 |       |           |
| 4.63%, 1/31/18  | 1,300 | 1,358,699 |
| 7.13%, 10/15/20   | 1,800 | 2,071,946 |
| Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (b) | 325   | 308,750   |
| Mobile Mini, Inc., 7.88%, 12/01/20                                | 1,640 | 1,734,300 |
| The ADT Corp., 4.88%, 7/15/42                                     | 1,078 | 897,435   |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |              |
| <b>Commercial Services &amp; Supplies (concluded)</b>               |                      |              |
| United Rentals North America, Inc.:                                 |                      |              |
| 5.75%, 7/15/18  | USD 388              | \$ 402,792   |
| 7.38%, 5/15/20  | 770                  | 835,450      |
| 7.63%, 4/15/22  | 907                  | 1,007,505    |
|   |                      | 9,127,517    |
| <b>Communications Equipment 1.2%</b>                                |                      |              |
| ADC Telecommunications, Inc., 3.50%, 7/15/15 (g)                    | 8,670                | 8,713,350    |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20                   | 954                  | 1,011,240    |
|   |                      | 9,724,590    |
| <b>Construction &amp; Engineering 0.1%</b>                          |                      |              |
| ABB Finance USA, Inc., 4.38%, 5/08/42                               | 386                  | 430,537      |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (b)                   | 192                  | 199,200      |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)   | 400                  | 404,000      |
|   |                      | 1,033,737    |
| <b>Construction Materials 0.6%</b>                                  |                      |              |
| Allegion US Holding Co., Inc., 5.75%, 10/01/21                      | 894                  | 938,700      |
| HD Supply, Inc., 7.50%, 7/15/20                                     | 3,088                | 3,304,160    |
| Lafarge SA, 7.13%, 7/15/36  | 270                  | 336,150      |
|   |                      | 4,579,010    |
| <b>Consumer Finance 1.6%</b>  |                      |              |
| Ally Financial, Inc.:   |                      |              |
| 5.50%, 2/15/17  | 3,000                | 3,144,630    |
| 6.25%, 12/01/17   | 320                  | 345,600      |
| 8.00%, 3/15/20  | 900                  | 1,077,750    |
| 8.00%, 11/01/31   | 600                  | 774,000      |
| Discover Financial Services, 3.85%, 11/21/22                        | 500                  | 514,392      |
| Ford Motor Credit Co. LLC:  |                      |              |
| 6.63%, 8/15/17  | 280                  | 312,997      |
| 8.13%, 1/15/20  | 2,530                | 3,172,597    |
| 4.25%, 9/20/22  | 1,600                | 1,737,302    |
| General Motors Financial Co., Inc., 4.25%, 5/15/23                  | 807                  | 845,333      |
| SLM Corp., 6.25%, 1/25/16   | 1,312                | 1,356,280    |
|   |                      | 13,280,881   |
| <b>Containers &amp; Packaging 0.3%</b>                              |                      |              |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | 182                  | 192,920      |
| Sealed Air Corp. (b):   |                      |              |
| 6.50%, 12/01/20   | 1,100                | 1,245,970    |
| 8.38%, 9/15/21  | 450                  | 509,062      |
| Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (b)                      | 820                  | 854,850      |
|   |                      | 2,802,802    |
| <b>Diversified Consumer Services 0.2%</b>                           |                      |              |
| APX Group, Inc., 6.38%, 12/01/19                                    | 535                  | 536,338      |
| Service Corp. International, 4.50%, 11/15/20                        | 1,240                | 1,255,500    |
|   |                      | 1,791,838    |
| <b>Diversified Financial Services 2.6%</b>                          |                      |              |

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|  |       |           |
|--|-------|-----------|
| Aircastle Ltd., 6.25%, 12/01/19                                | 1,413 | 1,563,061 |
| FMR LLC, 4.95%, 2/01/33 (b)(d)                                 | 2,300 | 2,559,231 |
| General Electric Capital Corp.:                                |       |           |
| 6.75%, 3/15/32   | 2,500 | 3,465,510 |
| 6.15%, 8/07/37 (d)   | 2,150 | 2,869,381 |
| 6.88%, 1/10/39   | 135   | 195,950   |
| IntercontinentalExchange Group, Inc., 4.00%, 10/15/23          | 470   | 505,555   |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b) | 2,500 | 2,475,000 |
| Moody s Corp., 4.50%, 9/01/22                                  | 1,800 | 1,942,796 |

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                               |     |                      |              |
| <b>Diversified Financial Services (concluded)</b>    |     |                      |              |
| Reynolds Group Issuer, Inc.:                         |     |                      |              |
| 7.13%, 4/15/19                                       | USD | 400                  | \$ 415,250   |
| 7.88%, 8/15/19                                       |     | 1,120                | 1,188,320    |
| 5.75%, 10/15/20                                      |     | 2,000                | 2,077,500    |
| 6.88%, 2/15/21                                       |     | 1,935                | 2,046,262    |
|  |     |                      | 21,303,816   |
| <b>Diversified Telecommunication Services 3.0%</b>   |     |                      |              |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20          |     | 800                  | 856,000      |
| Level 3 Financing, Inc.:                             |     |                      |              |
| 8.13%, 7/01/19                                       |     | 1,369                | 1,449,429    |
| 8.63%, 7/15/20                                       |     | 1,230                | 1,340,700    |
| Telecom Italia Capital SA, 6.00%, 9/30/34            |     | 1,550                | 1,604,250    |
| Verizon Communications, Inc. (d):                    |     |                      |              |
| 3.50%, 11/01/21                                      |     | 1,000                | 1,040,393    |
| 6.40%, 2/15/38                                       |     | 6,879                | 8,658,879    |
| 6.55%, 9/15/43                                       |     | 6,751                | 8,872,468    |
| Windstream Corp.:                                    |     |                      |              |
| 7.88%, 11/01/17                                      |     | 200                  | 216,500      |
| 7.75%, 10/15/20                                      |     | 100                  | 103,470      |
| 6.38%, 8/01/23                                       |     | 20                   | 18,400       |
|  |     |                      | 24,160,489   |
| <b>Electric Utilities 5.9%</b>                       |     |                      |              |
| The Cleveland Electric Illuminating Co.:             |     |                      |              |
| 8.88%, 11/15/18                                      |     | 242                  | 298,098      |
| 5.95%, 12/15/36                                      |     | 434                  | 512,951      |
| CMS Energy Corp., 5.05%, 3/15/22                     |     | 1,832                | 2,064,201    |
| ComEd Financing III, 6.35%, 3/15/33                  |     | 300                  | 306,857      |
| Duke Energy Carolinas LLC:                           |     |                      |              |
| 6.10%, 6/01/37                                       |     | 640                  | 856,360      |
| 6.00%, 1/15/38 (d)                                   |     | 1,675                | 2,269,586    |
| 4.25%, 12/15/41 (d)                                  |     | 750                  | 834,940      |
| Duke Energy Florida, Inc., 6.40%, 6/15/38 (d)        |     | 770                  | 1,095,852    |
| E.ON International Finance BV, 6.65%, 4/30/38 (b)(d) |     | 3,100                | 4,096,495    |
| Electricite de France SA, 5.60%, 1/27/40 (b)(d)      |     | 2,800                | 3,434,113    |
| Florida Power Corp., 6.35%, 9/15/37 (d)              |     | 2,775                | 3,941,580    |
| Georgia Power Co., 3.00%, 4/15/16                    |     | 800                  | 820,752      |
| Jersey Central Power & Light Co., 7.35%, 2/01/19     |     | 490                  | 578,314      |

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|  |       |            |
|--|-------|------------|
| MidAmerican Energy Holdings Co., 6.50%, 9/15/37 (d)            | 5,515 | 7,581,923  |
| Ohio Power Co., Series D, 6.60%, 3/01/33                       | 3,000 | 4,015,644  |
| PacifiCorp, 6.25%, 10/15/37                                    | 1,225 | 1,686,075  |
| Public Service Co. of Colorado, Series 17, 6.25%, 9/01/37 (d)  | 2,550 | 3,615,793  |
| Southern California Edison Co.:                                |       |            |
| 5.63%, 2/01/36   | 1,300 | 1,672,551  |
| Series A, 5.95%, 2/01/38 (d)                                   | 2,175 | 2,947,791  |
| Virginia Electric and Power Co., Series A, 6.00%, 5/15/37 (d)  | 3,920 | 5,285,187  |
|  |       | 47,915,063 |
| <b>Energy Equipment &amp; Services 2.1%</b>                    |       |            |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                       | 940   | 843,650    |
| Ensco PLC:   |       |            |
| 3.25%, 3/15/16   | 320   | 325,482    |
| 4.70%, 3/15/21 (d)   | 3,490 | 3,585,867  |
| EOG Resources, Inc., 2.63%, 3/15/23 (d)                        | 3,800 | 3,758,740  |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 | 142   | 139,160    |
| GrafTech International Ltd., 6.38%, 11/15/20                   | 1,160 | 939,600    |
| MEG Energy Corp., 6.50%, 3/15/21 (b)                           | 560   | 541,800    |
| Peabody Energy Corp.:  |       |            |
| 6.00%, 11/15/18  | 2,507 | 2,281,370  |
| 6.25%, 11/15/21 (d)  | 2,483 | 2,067,097  |
| Seadrill Ltd., 6.13%, 9/15/17 (b)                              | 3,180 | 2,778,525  |
|  |       | 17,261,291 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Food &amp; Staples Retailing 0.1%</b>   |              |            |
| Rite Aid Corp., 6.75%, 6/15/21   | USD 558      | \$ 592,875 |
| <b>Food Products 0.2%</b>  |              |            |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (b)  | 1,293        | 1,372,519  |
| Smithfield Foods, Inc., 5.88%, 8/01/21 (b)   | 338          | 356,168    |
|  |              | 1,728,687  |
| <b>Health Care Equipment &amp; Supplies 0.4%</b>   |              |            |
| Boston Scientific Corp., 6.25%, 11/15/15   | 2,511        | 2,603,538  |
| Teleflex, Inc., 6.88%, 6/01/19   | 770          | 802,725    |
|  |              | 3,406,263  |
| <b>Health Care Providers &amp; Services 4.1%</b>   |              |            |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19                            | 710          | 739,820    |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18   | 800          | 828,000    |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b)  | EUR 988      | 1,145,700  |
| HCA Holdings, Inc., 7.75%, 5/15/21   | USD 283      | 302,810    |
| HCA, Inc.:   |              |            |
| 3.75%, 3/15/19   | 264          | 269,610    |
| 6.50%, 2/15/20   | 4,322        | 4,916,275  |
| 4.75%, 5/01/23   | 2,322        | 2,449,478  |
| Tenet Healthcare Corp.:  |              |            |
| 6.25%, 11/01/18  | 1,609        | 1,755,821  |
| 6.00%, 10/01/20  | 1,244        | 1,352,850  |
| 4.50%, 4/01/21   | 766          | 769,830    |
| 4.38%, 10/01/21  | 3,530        | 3,534,412  |
| 8.13%, 4/01/22   | 2,317        | 2,624,003  |
| UnitedHealth Group, Inc., 2.88%, 3/15/22 (d)   | 4,000        | 4,100,196  |
| WellPoint, Inc., 4.65%, 1/15/43 (d)  | 8,000        | 8,715,064  |
|  |              | 33,503,869 |
| <b>Hotels, Restaurants &amp; Leisure 2.3%</b>  |              |            |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property, 8.00%, 10/01/20 (b) | 2,120        | 2,135,900  |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b)  | 1,724        | 1,764,859  |
| The Unique Pub Finance Co. PLC:  |              |            |
| Series A3, 6.54%, 3/30/21  | GBP 3,286    | 5,225,668  |
| Series A4, 5.66%, 6/30/27  | 1,215        | 1,856,339  |
| Series M, 7.40%, 3/28/24   | 3,000        | 4,724,183  |
| Series N, 6.46%, 3/30/32   | 2,390        | 3,320,934  |
|  |              | 19,027,883 |
| <b>Household Durables 0.5%</b>   |              |            |
| Beazer Homes USA, Inc.:  |              |            |
| 6.63%, 4/15/18   | USD 580      | 603,200    |
| 7.50%, 9/15/21   | 166          | 162,265    |
| Standard Pacific Corp., 10.75%, 9/15/16  | 2,100        | 2,352,000  |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)                        | 371          | 363,580    |
| Tri Pointe Holdings, Inc. (b):   |              |            |
| 4.38%, 6/15/19   | 430          | 425,162    |

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|                |     |           |
|----------------|-----|-----------|
| 5.88%, 6/15/24 | 290 | 290,363   |
|                |     | 4,196,570 |

**Household Products 0.1%**

Spectrum Brands, Inc.:

|                 |     |           |
|-----------------|-----|-----------|
| 6.38%, 11/15/20 | 400 | 431,000   |
| 6.63%, 11/15/22 | 550 | 602,250   |
|                 |     | 1,033,250 |

**Independent Power and Renewable Electricity Producers 0.3%**

Calpine Corp. (b):

|  |       |           |
|--|-------|-----------|
| 6.00%, 1/15/22                         | 274   | 298,797   |
| 5.88%, 1/15/24                         | 194   | 210,490   |
| NRG REMA LLC, Series C, 9.68%, 7/02/26 | 1,537 | 1,667,645 |
|  |       | 2,176,932 |

**Corporate Bonds**

**Industrial Conglomerates 0.0%**

|                                       | Par<br>(000) | Value      |
|---------------------------------------|--------------|------------|
| Smiths Group PLC, 3.63%, 10/12/22 (b) | USD 360      | \$ 359,357 |

**Insurance 2.9%**

|  |       |           |
|--|-------|-----------|
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (b) | 1,221 | 1,257,630 |
|--|-------|-----------|

American International Group, Inc.:

|                    |       |           |
|--------------------|-------|-----------|
| 5.45%, 5/18/17 (d) | 1,600 | 1,742,466 |
|--------------------|-------|-----------|

|                            |         |         |
|----------------------------|---------|---------|
| AXA SA, 5.25%, 4/16/40 (a) | EUR 500 | 655,185 |
|----------------------------|---------|---------|

|   |           |           |
|---|-----------|-----------|
| Five Corners Funding Trust, 4.42%, 11/15/23 (b) | USD 2,050 | 2,205,782 |
|---|-----------|-----------|

Hartford Financial Services Group, Inc.:

|                |     |         |
|----------------|-----|---------|
| 6.00%, 1/15/19 | 690 | 786,877 |
|----------------|-----|---------|

|                |       |           |
|----------------|-------|-----------|
| 5.13%, 4/15/22 | 1,860 | 2,139,498 |
|----------------|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Liberty Mutual Group, Inc., 6.50%, 5/01/42 (b) | 2,000 | 2,526,126 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Lincoln National Corp., 6.25%, 2/15/20 | 1,260 | 1,466,418 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Manulife Financial Corp., 3.40%, 9/17/15 (d) | 3,255 | 3,298,513 |
|--|-------|-----------|

|   |     |         |
|---|-----|---------|
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b) | 680 | 729,300 |
|---|-----|---------|

|  |         |         |
|--|---------|---------|
| Muenchener Rueckversicherungs AG, 6.00%, 5/26/41 (a) | EUR 400 | 562,482 |
|--|---------|---------|

Prudential Financial, Inc.:

|                |           |           |
|----------------|-----------|-----------|
| 4.75%, 9/17/15 | USD 1,220 | 1,246,340 |
|----------------|-----------|-----------|

|                    |     |         |
|--------------------|-----|---------|
| 7.38%, 6/15/19 (d) | 550 | 664,148 |
|--------------------|-----|---------|

|                    |     |         |
|--------------------|-----|---------|
| 5.38%, 6/21/20 (d) | 500 | 572,230 |
|--------------------|-----|---------|

|                     |     |         |
|---------------------|-----|---------|
| 4.50%, 11/15/20 (d) | 850 | 941,403 |
|---------------------|-----|---------|

|                    |     |         |
|--------------------|-----|---------|
| 5.90%, 3/17/36 (d) | 500 | 610,165 |
|--------------------|-----|---------|

|                     |       |            |
|---------------------|-------|------------|
| 5.70%, 12/14/36 (d) | 1,625 | 1,955,325  |
|                     |       | 23,359,888 |

**Internet Software & Services 0.0%**

|                               |     |         |
|-------------------------------|-----|---------|
| Equinix, Inc., 4.88%, 4/01/20 | 173 | 179,920 |
|-------------------------------|-----|---------|

**IT Services 0.6%**

|   |     |         |
|---|-----|---------|
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (b) | 420 | 436,800 |
|---|-----|---------|

First Data Corp. (b):

|                |     |           |
|----------------|-----|-----------|
| 7.38%, 6/15/19 | 980 | 1,029,000 |
|----------------|-----|-----------|

|                 |       |           |
|-----------------|-------|-----------|
| 6.75%, 11/01/20 | 3,384 | 3,629,340 |
|                 |       | 5,095,140 |

**Life Sciences Tools & Services 0.1%**

|   |     |         |
|---|-----|---------|
| Agilent Technologies, Inc., 3.20%, 10/01/22 | 500 | 488,410 |
|---|-----|---------|

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**Marine 0.3%**

Nakilat, Inc., Series A, 6.07%, 12/31/33 (b)(d) 2,150 2,503,310

**Media 5.1%**

AMC Networks, Inc.:

7.75%, 7/15/21 640 702,400

4.75%, 12/15/22 686 689,430

Cinemark USA, Inc., 5.13%, 12/15/22 350 358,295

Clear Channel Worldwide Holdings, Inc., Series B, 6.50%, 11/15/22 4,980 5,243,813

Comcast Cable Communications Holdings, Inc., 9.46%, 11/15/22 (d) 2,600 3,785,564

Comcast Corp., 6.45%, 3/15/37 (d) 790 1,076,185

Cox Communications, Inc. (b):

6.95%, 6/01/38 1,000 1,270,533

8.38%, 3/01/39 3,475 4,960,253

DIRECTV Holdings LLC/DIRECTV Financing Co., Inc.:

6.38%, 3/01/41 520 610,856

5.15%, 3/15/42 1,400 1,437,629

Gray Television, Inc., 7.50%, 10/01/20 666 692,640

iHeartCommunications, Inc., 9.00%, 12/15/19 611 603,363

Inmarsat Finance PLC, 4.88%, 5/15/22 (b) 1,000 1,017,700

Intelsat Jackson Holdings SA, 5.50%, 8/01/23 700 662,375

The Interpublic Group of Cos., Inc., 3.75%, 2/15/23 2,000 2,045,322

Live Nation Entertainment, Inc., 7.00%, 9/01/20 (b) 218 233,805

NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%,

8/01/18 (b) 637 658,499

NBCUniversal Media LLC (d):

5.15%, 4/30/20 3,957 4,554,198

4.38%, 4/01/21 2,030 2,253,570

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

Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |              |
| <b>Media (concluded)</b>  |                      |              |
| News America, Inc., 7.63%, 11/30/28   | USD 385              | \$ 513,583   |
| Sirius XM Radio, Inc., 4.25%, 5/15/20 (b)   | 893                  | 888,535      |
| TCI Communications, Inc., 7.88%, 2/15/26 (d)                                      | 610                  | 861,774      |
| Time Warner, Inc.:  |                      |              |
| 4.70%, 1/15/21  | 1,350                | 1,509,092    |
| 6.10%, 7/15/40  | 830                  | 1,049,049    |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (b)           | 505                  | 532,775      |
| Univision Communications, Inc., 5.13%, 5/15/23 (b)                                | 2,306                | 2,386,710    |
| Virgin Media Secured Finance PLC, 5.38%, 4/15/21 (b)                              | 790                  | 835,425      |
|   |                      | 41,433,373   |
| <b>Metals &amp; Mining 3.3%</b>   |                      |              |
| Alcoa, Inc., 5.40%, 4/15/21   | 2,900                | 3,185,780    |
| ArcelorMittal:  |                      |              |
| 4.50%, 8/05/15  | 347                  | 350,904      |
| 6.13%, 6/01/18  | 770                  | 834,488      |
| Commercial Metals Co., 4.88%, 5/15/23   | 1,095                | 1,045,725    |
| Corp. Nacional del Cobre de Chile, 3.00%, 7/17/22 (b)                             | 3,131                | 3,110,097    |
| Freeport-McMoRan Copper & Gold, Inc., 5.45%, 3/15/43                              | 900                  | 791,549      |
| Novelis, Inc., 8.75%, 12/15/20  | 8,225                | 8,924,125    |
| Teck Resources Ltd., 5.38%, 10/01/15 (d)  | 4,709                | 4,811,214    |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (b)              | 1,200                | 1,300,500    |
| Xstrata Canada Corp., 6.20%, 6/15/35  | 2,800                | 2,950,077    |
|   |                      | 27,304,459   |
| <b>Multiline Retail 0.3%</b>  |                      |              |
| Dufry Finance SCA, 5.50%, 10/15/20 (b)  | 2,520                | 2,628,199    |
| <b>Oil, Gas &amp; Consumable Fuels 6.4%</b>                                       |                      |              |
| Access Midstream Partners LP/ACMP Finance Corp., 6.13%, 7/15/22                   | 800                  | 857,000      |
| Anadarko Petroleum Corp., 5.95%, 9/15/16  | 3,832                | 4,110,950    |
| Antero Resources Finance Corp., 5.38%, 11/01/21                                   | 306                  | 308,295      |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21  | 198                  | 194,040      |
| Cenovus Energy, Inc., 6.75%, 11/15/39   | 1,500                | 1,809,691    |
| Chesapeake Energy Corp., 5.75%, 3/15/23   | 1,230                | 1,283,812    |
| ConocoPhillips Canada Funding Co., 5.95%, 10/15/36 (d)                            | 685                  | 866,850      |
| Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., 6.13%, 3/01/22 | 110                  | 110,550      |
| Denbury Resources, Inc., 4.63%, 7/15/23   | 627                  | 561,949      |
| El Paso LLC, 7.80%, 8/01/31   | 90                   | 111,307      |
| El Paso Natural Gas Co., 8.38%, 6/15/32   | 550                  | 706,870      |
| Energy Transfer Partners LP, 7.50%, 7/01/38                                       | 1,000                | 1,288,754    |
| Enterprise Products Operating LLC, 6.13%, 10/15/39                                | 1,400                | 1,761,224    |
| KeySpan Gas East Corp., 5.82%, 4/01/41 (b)  | 1,010                | 1,330,820    |
| Kinder Morgan Energy Partners LP:   |                      |              |
| 6.50%, 9/01/39 (d)  | 3,000                | 3,486,894    |
| 6.55%, 9/15/40  | 220                  | 254,890      |
| 6.38%, 3/01/41  | 310                  | 355,860      |



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|  |       |           |
|--|-------|-----------|
| Kinder Morgan, Inc., 5.63%, 11/15/23 (b)                   | 340   | 381,556   |
| Kodiak Oil & Gas Corp., 5.50%, 2/01/22                     | 212   | 214,120   |
| Linn Energy LLC/Linn Energy Finance Corp., 6.25%, 11/01/19 | 474   | 404,085   |
| Marathon Petroleum Corp., 6.50%, 3/01/41                   | 2,049 | 2,514,691 |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp.: |       |           |
| 6.25%, 6/15/22   | 106   | 112,360   |
| 4.50%, 7/15/23   | 35    | 35,210    |
| MidAmerican Energy Co., 5.80%, 10/15/36                    | 1,500 | 1,954,558 |
| MidAmerican Energy Holdings Co., 5.95%, 5/15/37 (d)        | 1,750 | 2,276,965 |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                           |              |            |
| Nexen, Inc.:   |              |            |
| 6.40%, 5/15/37   | USD 400      | \$ 509,387 |
| 7.50%, 7/30/39   | 1,670        | 2,373,187  |
| Pacific Drilling SA, 5.38%, 6/01/20 (b)                                      | 294          | 233,914    |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20                        | 94           | 99,640     |
| PDC Energy, Inc., 7.75%, 10/15/22  | 520          | 540,800    |
| Pioneer Natural Resources Co., 3.95%, 7/15/22                                | 700          | 721,391    |
| Premier Oil PLC, 5.00%, 6/09/18  | 3,800        | 3,230,000  |
| Range Resources Corp.:   |              |            |
| 5.75%, 6/01/21   | 213          | 224,183    |
| 5.00%, 8/15/22   | 53           | 54,193     |
| 5.00%, 3/15/23   | 125          | 127,813    |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23     | 498          | 509,205    |
| Rosetta Resources, Inc., 5.63%, 5/01/21                                      | 596          | 567,690    |
| Sabine Pass Liquefaction LLC:  |              |            |
| 5.63%, 2/01/21   | 3,578        | 3,662,977  |
| 6.25%, 3/15/22   | 796          | 837,790    |
| 5.63%, 4/15/23   | 937          | 958,083    |
| SandRidge Energy, Inc.:  |              |            |
| 8.75%, 1/15/20   | 48           | 36,720     |
| 7.50%, 2/15/23   | 620          | 443,300    |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 | 774          | 814,635    |
| Ultra Petroleum Corp., 5.75%, 12/15/18 (b)                                   | 357          | 346,290    |
| Western Gas Partners LP, 5.38%, 6/01/21                                      | 1,425        | 1,589,488  |
| Whiting Petroleum Corp., 5.00%, 3/15/19                                      | 1,642        | 1,617,370  |
| The Williams Cos., Inc., Series A, 7.50%, 1/15/31                            | 5,000        | 5,575,390  |
|  |              | 52,366,747 |
| <b>Paper &amp; Forest Products 0.3%</b>                                      |              |            |
| International Paper Co.:   |              |            |
| 7.50%, 8/15/21   | 150          | 188,800    |
| 4.75%, 2/15/22   | 840          | 930,128    |
| 6.00%, 11/15/41  | 870          | 1,027,106  |
|  |              | 2,146,034  |
| <b>Pharmaceuticals 1.4%</b>  |              |            |
| Actavis, Inc., 3.25%, 10/01/22   | 4,000        | 3,953,124  |
| Forest Laboratories, Inc. (b):   |              |            |
| 4.38%, 2/01/19   | 456          | 485,018    |

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|  |       |            |
|--|-------|------------|
| 5.00%, 12/15/21  | 758   | 832,555    |
| Grifols Worldwide Operations Ltd., 5.25%, 4/01/22 (b)              | 200   | 205,000    |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (b) | 1,040 | 1,120,600  |
| Valeant Pharmaceuticals International, Inc. (b):                   |       |            |
| 6.75%, 8/15/18   | 2,643 | 2,808,187  |
| 6.38%, 10/15/20  | 1,150 | 1,210,375  |
| 5.63%, 12/01/21  | 754   | 767,195    |
|  |       | 11,382,054 |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                  |       |            |
| Felcor Lodging LP, 5.63%, 3/01/23                                  | 494   | 510,648    |
| HCP, Inc., 3.88%, 8/15/24  | 3,000 | 3,070,878  |
| Simon Property Group LP, 4.75%, 3/15/42                            | 1,670 | 1,897,900  |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21              | 550   | 601,484    |
|  |       | 6,080,910  |
| <b>Real Estate Management &amp; Development 0.9%</b>               |       |            |
| Lennar Corp., 4.75%, 11/15/22                                      | 880   | 897,600    |
| Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (b)(d)        | 4,600 | 4,351,409  |
| Realogy Corp., 7.63%, 1/15/20 (b)(d)                               | 1,993 | 2,147,458  |
|  |       | 7,396,467  |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Corporate Bonds</b>                                   |                      |              |
| <b>Road &amp; Rail 0.7%</b>                              |                      |              |
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40         | USD 1,890            | \$ 2,389,329 |
| The Hertz Corp.:   |                      |              |
| 4.25%, 4/01/18   | 473                  | 477,730      |
| 5.88%, 10/15/20  | 460                  | 474,950      |
| 7.38%, 1/15/21   | 2,070                | 2,178,675    |
|  |                      | 5,520,684    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b> |                      |              |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (b)               | 940                  | 996,400      |
| <b>Software 0.5%</b>                                     |                      |              |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)          | 2,170                | 2,224,250    |
| Oracle Corp., 5.38%, 7/15/40                             | 1,575                | 1,944,593    |
|  |                      | 4,168,843    |
| <b>Specialty Retail 0.5%</b>                             |                      |              |
| The Home Depot, Inc., 5.88%, 12/16/36 (d)                | 1,660                | 2,188,283    |
| QVC, Inc., 7.38%, 10/15/20 (b)                           | 1,950                | 2,032,875    |
|  |                      | 4,221,158    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>         |                      |              |
| PVH Corp., 4.50%, 12/15/22                               | 977                  | 994,098      |
| Springs Industries, Inc., 6.25%, 6/01/21                 | 806                  | 787,865      |
| The William Carter Co., 5.25%, 8/15/21                   | 657                  | 688,043      |
|  |                      | 2,470,006    |
| <b>Tobacco 1.3%</b>                                      |                      |              |
| Altria Group, Inc.:                                      |                      |              |
| 9.95%, 11/10/38  | 516                  | 898,498      |
| 10.20%, 2/06/39  | 894                  | 1,586,377    |
| 5.38%, 1/31/44 (d)                                       | 4,030                | 4,751,656    |
| Lorillard Tobacco Co., 7.00%, 8/04/41                    | 1,000                | 1,297,062    |
| Reynolds American, Inc., 4.75%, 11/01/42                 | 2,100                | 2,129,713    |
|  |                      | 10,663,306   |
| <b>Wireless Telecommunication Services 2.4%</b>          |                      |              |
| America Movil SAB de CV, 2.38%, 9/08/16                  | 1,595                | 1,620,360    |
| Crown Castle International Corp., 5.25%, 1/15/23         | 930                  | 981,150      |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (b)              | 3,155                | 3,627,370    |
| Digicel Group Ltd., 8.25%, 9/30/20 (b)                   | 865                  | 874,947      |
| Digicel Ltd., 6.00%, 4/15/21 (b)                         | 1,550                | 1,538,375    |
| Rogers Communications, Inc., 7.50%, 8/15/38 (d)          | 2,325                | 3,338,423    |
| SBA Tower Trust, 5.10%, 4/15/42 (b)                      | 720                  | 754,042      |
| Softbank Corp., 4.50%, 4/15/20 (b)                       | 550                  | 559,295      |
| Sprint Capital Corp., 8.75%, 3/15/32                     | 350                  | 369,688      |
| Sprint Communications, Inc. (b):                         |                      |              |
| 9.00%, 11/15/18  | 1,060                | 1,232,250    |
| 7.00%, 3/01/20   | 1,760                | 1,949,746    |
| Sprint Corp., 7.88%, 9/15/23                             | 1,891                | 1,952,457    |
| Vodafone Group PLC, 2.50%, 9/26/22                       | 910                  | 874,529      |
|  |                      | 19,672,632   |

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**Total Corporate Bonds 71.5%** 585,902,780

**Foreign Agency Obligations**

|   |     |       |            |
|---|-----|-------|------------|
| Brazilian Government International Bond, 5.00%, 1/27/45     |     | 5,724 | 5,174,496  |
| Cyprus Government International Bond, 4.63%, 2/03/20 (b)    | EUR | 1,210 | 1,316,814  |
| Iceland Government International Bond, 5.88%, 5/11/22       | USD | 3,555 | 4,058,129  |
| Italian Government International Bond, 5.38%, 6/15/33       |     | 2,925 | 3,552,597  |
| Portugal Government International Bond, 5.13%, 10/15/24 (b) |     | 3,250 | 3,595,215  |
| Slovenia Government International Bond, 5.85%, 5/10/23 (b)  |     | 864   | 1,015,200  |
| <b>Total Foreign Agency Obligations 2.3%</b>                |     |       | 18,712,451 |

**Municipal Bonds**

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| City of Detroit Michigan, GO, Financial Recovery (a):   |     |                      |              |
| Series B-1, 4.00%, 4/01/44  | USD | 251                  | \$ 149,423   |
| Series B-2, 4.00%, 4/01/44  |     | 80                   | 48,691       |
| City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution:                            |     |                      |              |
| Series EE, 5.50%, 6/15/43   |     | 930                  | 1,104,877    |
| Series GG, Build America Bonds, 5.72%, 6/15/42  |     | 1,390                | 1,855,942    |
| Water & Sewer System, Series EE, 5.38%, 6/15/43   |     | 770                  | 908,631      |
| East Bay Municipal Utility District, RB, Build America Bonds, 5.87%, 6/01/40  |     | 1,900                | 2,553,904    |
| Indianapolis Local Public Improvement Bond Bank, RB, Build America Bonds, 6.12%, 1/15/40                                      |     | 2,535                | 3,373,198    |
| Metropolitan Transportation Authority, RB, Build America Bonds, Series C, 7.34%, 11/15/39                                     |     | 1,295                | 2,003,702    |
| Municipal Electric Authority of Georgia Plant Vogtle Units 3 & 4, Refunding RB, Build America Bonds, Series A, 7.06%, 4/01/57 |     | 2,000                | 2,364,040    |
| New York State Dormitory Authority, RB, Build America Bonds:  |     |                      |              |
| 5.63%, 3/15/39  |     | 1,100                | 1,383,382    |
| 5.60%, 3/15/40  |     | 1,900                | 2,439,505    |
| Port Authority of New York & New Jersey, RB, 159th Series, 6.04%, 12/01/29  |     | 780                  | 996,489      |
| State of California, GO, Build America Bonds, Various Purpose:  |     |                      |              |
| 7.55%, 4/01/39  |     | 280                  | 445,351      |
| 7.63%, 3/01/40  |     | 1,720                | 2,721,969    |
| State of Illinois, GO, Pension, 5.10%, 6/01/33  |     | 2,000                | 2,022,520    |
| University of California, RB, Build America Bonds, 5.95%, 5/15/45   |     | 885                  | 1,157,536    |
| <b>Total Municipal Bonds 3.1%</b>   |     |                      | 25,529,160   |

**Non-Agency Mortgage-Backed Securities****Collateralized Mortgage Obligations 1.3%**

|   |       |            |
|---|-------|------------|
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                              | 1,228 | 1,050,443  |
| Collateralized Mortgage Obligation Trust,<br>Series 40, Class R, 580.47%, 4/01/18                       | 12    | 11         |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35                 | 2,003 | 1,896,383  |
| Series 2006-OA21, Class A1, 0.36%, 3/20/47<br>(a)   | 1,354 | 1,065,401  |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust, Series 2006-OA5, Class<br>2A1, 0.37%, 4/25/46 (a) | 542   | 438,358    |
| Credit Suisse Mortgage Capital Certificates, Series 2011-2R, Class 2A1, 2.61%,<br>7/27/36 (a)(b)        | 1,805 | 1,821,894  |
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3, Class 5A1, 4.95%, 6/19/35<br>(a)                       | 1,063 | 1,056,125  |
| GSR Mortgage Loan Trust:<br>Series 2006-4F, Class 1A1, 5.00%, 5/25/36                                   | 220   | 213,404    |
| Series 2007-4F, Class 3A1, 6.00%, 7/25/37   | 388   | 350,407    |
| Homebanc Mortgage Trust, Series 2006-2,<br>Class A1, 0.35%, 12/25/36 (a)                                | 883   | 762,495    |
| JPMorgan Mortgage Trust, Series 2006-S3,<br>Class 1A12, 6.50%, 8/25/36                                  | 147   | 124,461    |
| Merrill Lynch Mortgage Investors, Inc., Series<br>2006-A3, Class 3A1, 2.67%, 5/25/36 (a)                | 1,025 | 832,017    |
| Residential Funding Securities LLC, Series<br>2003-RM2, Class AI5, 8.50%, 5/25/33                       | 422   | 438,233    |
| WaMu Mortgage Pass-Through Certificates,<br>Series 2007-OA4, Class 1A, 0.89%, 5/25/47 (a)               | 296   | 252,403    |
|   |       | 10,302,035 |

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

Schedule of Investments (continued)

**Non-Agency Mortgage-Backed Securities**

**Commercial Mortgage-Backed Securities 12.1%**

Banc of America Merrill Lynch Commercial Mortgage Trust:

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| Series 2006-6, Class A2, 5.31%, 10/10/45   | USD 147              | \$ 147,332   |
| Series 2007-1, Class A4, 5.45%, 1/15/49  | 934                  | 996,090      |
| Series 2007-2, Class A4, 5.63%, 4/10/49 (a)  | 1,500                | 1,592,020    |
| Bear Stearns Commercial Mortgage Securities, Series 2005-PWR9, Class A4A, 4.87%, 9/11/42             | 1,202                | 1,210,147    |
| Citigroup Commercial Mortgage Trust, Series 2013-GC15, Class B, 5.11%, 9/10/46 (a)                   | 7,183                | 8,130,589    |
| Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2006-CD3, Class AM, 5.65%, 10/15/48        | 2,193                | 2,326,637    |
| COMM 2015-3BP Mortgage Trust, Series 2015-3BP, Class A, 3.18%, 2/10/35 (b)                           | 7,570                | 7,676,563    |
| Commercial Mortgage Loan Trust, Series 2008-LS1, Class A4B, 6.04%, 12/10/49 (a)                      | 1,402                | 1,502,428    |
| Commercial Mortgage Trust:   |                      |              |
| Series 2006-C7, Class AM, 5.77%, 6/10/46 (a)   | 3,500                | 3,681,825    |
| Series 2013-CR11, Class B, 5.16%, 10/10/46 (a)   | 7,000                | 7,971,124    |
| Series 2013-LC6, Class B, 3.74%, 1/10/46   | 1,390                | 1,440,228    |
| Series 2013-LC6, Class D, 4.29%, 1/10/46 (a)(b)  | 1,670                | 1,616,440    |
| Credit Suisse Commercial Mortgage Trust:   |                      |              |
| Series 2006-C3, Class AM, 5.81%, 6/15/38 (a)   | 2,000                | 2,101,702    |
| Series 2006-C5, Class AM, 5.34%, 12/15/39  | 3,500                | 3,698,320    |
| Series 2010-RR2, Class 2A, 5.89%, 9/15/39 (a)(b)   | 1,501                | 1,574,007    |
| Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class AJ, 4.77%, 7/15/37       | 1,410                | 1,414,749    |
| DBRR Trust, Series 2011-C32, Class A3A, 5.72%, 6/17/49 (a)(b)  | 730                  | 782,867      |
| GAHR Commercial Mortgage Trust 2015-NRF, Series 2015-NRF, Class DFX, 3.38%, 12/15/19 (b)             | 6,170                | 6,030,256    |
| Greenwich Capital Commercial Funding Corp., Series 2006-GG7, Class A4, 5.79%, 7/10/38 (a)            | 2,242                | 2,329,492    |
| GS Mortgage Securities Corp. II, Series 2013-GC10, Class B, 3.68%, 2/10/46 (b)                       | 2,505                | 2,576,909    |
| Hilton USA Trust, Series 2013-HLT, 4.41%, 11/05/30 (b)   | 5,900                | 6,007,286    |
| JPMBB Commercial Mortgage Securities Trust, Series 2013-C15, Class D, 5.08%, 11/15/45 (a)(b)         | 1,600                | 1,625,389    |
| JPMorgan Chase Commercial Mortgage Securities Corp., Series 2004-LN2, Class A2, 5.12%, 7/15/41       | 110                  | 109,977      |
| JPMorgan Chase Commercial Mortgage Securities Trust, Series 2006-CB14, Class AM, 5.43%, 12/12/44 (a) | 660                  | 681,921      |
| LB-UBS Commercial Mortgage Trust (a):  |                      |              |
| Series 2007-C6, Class A4, 5.86%, 7/15/40   | 9,671                | 10,167,347   |
| Series 2007-C7, Class A3, 5.87%, 9/15/45   | 2,191                | 2,398,390    |
| Morgan Stanley Capital I Trust, Series 2007-HQ11, Class A4, 5.45%, 2/12/44 (a)                       | 8,000                | 8,480,320    |
| RCMC LLC, Series 2012-CRE1, Class A, 5.62%, 11/15/44 (b)   | 957                  | 982,596      |
| Titan Europe PLC, Series 2007-1X, Class A, 8.00%, 1/20/17 (a)  | GBP 1,689            | 2,137,693    |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class A4, 5.94%, 2/15/51 (a)               | USD 4,447            | 4,740,783    |

| <b>Non-Agency Mortgage-Backed Securities</b>  | <b>Par (000)</b> | <b>Value</b> |
|---|------------------|--------------|
| <b>Commercial Mortgage-Backed Securities (concluded)</b>  |                  |              |
| WF-RBS Commercial Mortgage Trust, Series 2012-C8:   |                  |              |
| Class B, 4.31%, 8/15/45   | USD 1,395        | \$ 1,503,795 |
| Class C, 4.88%, 8/15/45 (a)   | 1,795            | 1,956,771    |
|   |                  | 99,591,993   |
| <b>Interest Only Collateralized Mortgage Obligations 0.0%</b>                                       |                  |              |
| GSMPS Mortgage Loan Trust, Series 1998-5, 0.00%, 6/19/27 (a)(b)                                     | 1,372            | 14           |
| <b>Interest Only Commercial Mortgage-Backed Securities 0.7%</b>                                     |                  |              |
| Morgan Stanley Bank of America Merrill Lynch Trust, Series 2012-C5, Class XA, 1.85%, 8/15/45 (a)(b) | 30,805           | 2,472,831    |
| WF-RBS Commercial Mortgage Trust, Class XA (a)(b):  |                  |              |
| Series 2012-C8, 2.20%, 8/15/45  | 11,793           | 1,179,648    |
| Series 2012-C9, 2.21%, 11/15/45   | 20,793           | 2,275,500    |
|   |                  | 5,927,979    |
| <b>Total Non-Agency Mortgage-Backed Securities 14.1%</b>  |                  | 115,822,021  |
| <b>Preferred Securities</b>   |                  |              |
| <b>Capital Trusts</b>   |                  |              |
| <b>Banks 5.7%</b>   |                  |              |
| Bank of America Corp., Series X, 6.25% (a)(e)   | 3,570            | 3,672,638    |
| BNP Paribas SA, 7.20% (a)(b)(e)   | 2,000            | 2,405,000    |
| Citigroup, Inc. (a)(e):   |                  |              |
| Series D, 5.35%   | 2,100            | 2,017,953    |
| Series M, 6.30%   | 4,000            | 4,075,000    |
| Credit Agricole SA (a)(b)(e):   |                  |              |
| 6.63%   | 1,400            | 1,389,500    |
| 7.88%   | 2,000            | 2,104,116    |
| JPMorgan Chase & Co. (a)(e):  |                  |              |
| Series 1, 7.90%   | 7,000            | 7,533,750    |
| Series Q, 5.15%   | 3,000            | 2,936,400    |
| Series U, 6.13%   | 500              | 517,750      |
| Series V, 5.00%   | 6,000            | 5,902,500    |
| Nordea Bank AB, 6.13% (a)(b)(e)   | 2,960            | 3,048,800    |
| Societe Generale SA (a)(b)(e):  |                  |              |
| 6.00%   | 5,720            | 5,434,686    |
| 7.88%   | 2,000            | 2,027,500    |
| Wells Fargo & Co., Series S, 5.90% (a)(e)   | 3,390            | 3,532,990    |
|   |                  | 46,598,583   |
| <b>Capital Markets 1.2%</b>   |                  |              |
| The Bank of New York Mellon Corp., Series D, 4.50% (a)(d)(e)  | 8,400            | 7,917,000    |
| Morgan Stanley, Series H, 5.45%, (a)(e)   | 1,750            | 1,790,688    |
| State Street Capital Trust IV, 1.24%, 6/01/77 (a)   | 140              | 117,600      |
|   |                  | 9,825,288    |
| <b>Consumer Finance 0.3%</b>  |                  |              |
| Capital One Financial Corp., 4.75% 7/15/21  | 1,935            | 2,160,698    |
| <b>Diversified Financial Services 0.5%</b>  |                  |              |
| General Electric Capital Corp., Series B, 6.25% (a)(e)  | 1,800            | 2,000,250    |

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|  |       |           |
|--|-------|-----------|
| Macquarie Bank Ltd., 10.25%, 6/20/57 (a)               | 1,800 | 2,012,580 |
|  |       | 4,012,830 |
| <b>Electric Utilities 0.5%</b>                         |       |           |
| Electricite de France SA, 5.25% (a)(b)(e)              | 4,200 | 4,452,000 |
| <b>Insurance 4.0%</b>                                  |       |           |
| The Allstate Corp (a):                                 |       |           |
| 5.75%, 8/15/33   | 2,000 | 2,162,000 |
| 6.50%, 5/15/67   | 4,100 | 4,653,500 |
| American International Group, Inc., 8.18%, 5/15/68 (a) | 1,940 | 2,686,900 |
| AXA SA, 6.46% (a)(b)(e)                                | 2,050 | 2,189,400 |
| Liberty Mutual Group, Inc., 7.00%, 3/07/67 (a)(b)      | 1,950 | 1,986,563 |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b>       |
|---|----------------------|--------------------|
| <b>Preferred Securities</b>                   |                      |                    |
| <b>Insurance (concluded)</b>                  |                      |                    |
| Lincoln National Corp., 6.05%, 4/20/67 (a)    | USD 1,425            | \$ 1,381,359       |
| Metlife Capital Trust IV, 7.88%, 12/15/67 (b) | 1,285                | 1,648,013          |
| MetLife, Inc., 6.40%, 12/15/66 (d)            | 7,000                | 8,190,000          |
| Swiss Re Capital I LP, 6.85% (a)(b)(e)        | 2,120                | 2,224,940          |
| Voya Financial, Inc., 5.65%, 5/15/53 (a)      | 4,500                | 4,668,750          |
| XL Group PLC, Series E, 6.50% (a)(e)          | 1,625                | 1,430,000          |
|   |                      | 33,221,425         |
| <b>Total Capital Trusts 12.2%</b>             |                      | <b>100,270,824</b> |

|   | <b>Shares</b> |                   |
|---|---------------|-------------------|
| <b>Preferred Stocks</b>                               |               |                   |
| <b>Banks 1.2%</b>                                     |               |                   |
| US Bancorp, 6.00% (a)(e)                              | 300,000       | 8,169,000         |
| Wells Fargo & Co., 5.85% (a)(e)                       | 75,000        | 1,938,000         |
|   |               | 10,107,000        |
| <b>Capital Markets 0.4%</b>                           |               |                   |
| The Goldman Sachs Group, Inc., Series J, 5.50% (a)(e) | 92,000        | 2,294,480         |
| SCE Trust III, 5.75% (a)(e)                           | 25,314        | 708,792           |
|   |               | 3,003,272         |
| <b>Thriffs &amp; Mortgage Finance 0.0%</b>            |               |                   |
| Fannie Mae, Series S, 8.25% (a)(e)                    | 10,000        | 45,000            |
| <b>Total Preferred Stocks 1.6%</b>                    |               | <b>13,155,272</b> |

|   |        |                    |
|---|--------|--------------------|
| <b>Trust Preferred</b>                  |        |                    |
| <b>Banks 0.1%</b>                       |        |                    |
| Citigroup Capital XIII, 7.88%, 10/30/40 | 29,853 | 780,871            |
| <b>Total Preferred Securities 13.9%</b> |        | <b>114,206,967</b> |

|  | <b>Par<br/>(000)</b> |            |
|--|----------------------|------------|
| <b>U.S. Government Sponsored Agency Securities</b> |                      |            |
| <b>Agency Obligations 3.0%</b>                     |                      |            |
| Fannie Mae (d):                                    |                      |            |
| 0.00%, 10/09/19 (h)                                | USD 14,360           | 13,070,414 |
| 5.63%, 7/15/37                                     | 1,600                | 2,267,722  |
| Federal Home Loan Bank (d):                        |                      |            |
| 5.25%, 12/09/22                                    | 1,375                | 1,672,575  |
| 5.37%, 9/09/24                                     | 2,175                | 2,705,846  |
| Resolution Funding Corp. (h):                      |                      |            |
| 0.00%, 4/15/30                                     | 6,055                | 3,919,656  |
| 0.00%, 7/15/18 10/15/18                            | 1,050                | 998,564    |
|  |                      | 24,634,777 |
| <b>Collateralized Mortgage Obligations 0.1%</b>    |                      |            |
| Fannie Mae Mortgage-Backed Securities:             |                      |            |
| Series 2005-5, Class PK, 5.00%, 12/25/34           | 427                  | 454,475    |
| Series 1991-87, Class S, 26.23%, 8/25/21 (a)       | 8                    | 12,029     |

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|   |    |     |         |
|---|----|-----|---------|
| Series G-49, Class S, 1,017.02%, 12/25/21 (a)   |    | (i) | 211     |
| Series G-17, Class S, 1,063.28%, 6/25/21 (a)    | 38 |     | 563     |
| Series G-33, Class PV, 1,078.42%, 10/25/21      | 39 |     | 275     |
| Series G-07, Class S, 1,125.28%, 3/25/21 (a)    |    | (i) | 701     |
| Series 1991-46, Class S, 2,479.84%, 5/25/21 (a) | 23 |     | 1,430   |
| Freddie Mac Mortgage-Backed Securities:         |    |     |         |
| Series 0173, Class R, 9.00%, 11/15/21           | 2  |     | 2       |
| Series 0173, Class RS, 9.47%, 11/15/21 (a)      |    | (i) | 3       |
| Series 1057, Class J, 1,008.00%, 3/15/21        | 18 |     | 195     |
| Series 0019, Class R, 16,299.70%, 3/15/20 (a)   | 1  |     | 179     |
|   |    |     | 470,063 |

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

**Par (000) Value**

**Commercial Mortgage-Backed Securities 0.7%**

Freddie Mac Mortgage-Backed Securities (a):

|  |     |       |              |
|--|-----|-------|--------------|
| Series 2013-K24, Class B, 3.50%, 11/25/45 (b)  | USD | 3,500 | \$ 3,558,926 |
| Series K013, Class A2, 3.97%, 1/25/21          |     | 1,870 | 2,056,570    |
| Series 2012-K706, Class C, 4.03%, 11/25/44 (b) |     | 335   | 344,649      |
|  |     |       | 5,960,145    |

**Interest Only Collateralized Mortgage Obligations 1.5%**

Fannie Mae Mortgage-Backed Securities:

|   |  |        |            |
|---|--|--------|------------|
| Series 1997-50, Class SI, 1.20%, 4/25/23 (a)    |  | 79     | 2,667      |
| Series 2012-96, Class DI, 4.00%, 2/25/27        |  | 10,758 | 1,009,561  |
| Series 2012-M9, Class X1, 4.03%, 12/25/17 (a)   |  | 23,862 | 2,109,185  |
| Series 2012-47, Class NI, 4.50%, 4/25/42        |  | 8,500  | 1,099,761  |
| Series 089, Class 2, 8.00%, 10/25/18            |  | 1      | 62         |
| Series 007, Class 2, 8.50%, 4/25/17             |  | 1      | 42         |
| Series G92-05, Class H, 9.00%, 1/25/22          |  | 7      | 546        |
| Series 094, Class 2, 9.50%, 8/25/21             |  |        | (i) 96     |
| Series 1990-136, Class S, 19.91%, 11/25/20 (a)  |  | 2,670  | 3,658      |
| Series 1991-139, Class PT, 648.35%, 10/25/21    |  | 48     | 407        |
| Series 1991-099, Class L, 930.00%, 8/25/21      |  | 21     | 211        |
| Series G-10, Class S, 1,088.62%, 5/25/21 (a)    |  | 111    | 2,448      |
| Series G-12, Class S, 1,155.63%, 5/25/21 (a)    |  | 74     | 1,371      |
| Freddie Mac Mortgage-Backed Securities:         |  |        |            |
| Series K707, Class X1, 1.55%, 12/25/18 (a)      |  | 4,912  | 251,248    |
| Series K710, Class X1, 1.78%, 5/25/19 (a)       |  | 16,978 | 1,084,643  |
| Series 2611, Class QI, 5.50%, 9/15/32           |  | 1,322  | 107,712    |
| Series 1254, Class Z, 8.50%, 4/15/22            |  | 29     | 7,036      |
| Series 1043, Class H, 44.23%, 2/15/21 (a)       |  | 2,208  | 4,159      |
| Series 1054, Class I, 866.43%, 3/15/21 (a)      |  | 17     | 310        |
| Series 0176, Class M, 1,010.00%, 7/15/21        |  | 7      | 155        |
| Series 1056, Class KD, 1,084.50%, 3/15/21       |  | 11     | 149        |
| Series 1148, Class E, 1,176.57%, 10/15/21 (a)   |  | 30     | 534        |
| Series 0200, Class R, 197,723.44%, 12/15/22 (a) |  |        | (i) 281    |
| Ginnie Mae Mortgage-Backed Securities (a):      |  |        |            |
| Series 2009-78, Class SD, 6.03%, 9/20/32        |  | 8,822  | 1,544,384  |
| Series 2009-116, Class KS, 6.30%, 12/16/39      |  | 4,022  | 517,061    |
| Series 2011-52, Class NS, 6.50%, 4/16/41        |  | 23,655 | 4,146,365  |
|   |  |        | 11,894,052 |

**Mortgage-Backed Securities 6.9%**

Fannie Mae Mortgage-Backed Securities:

|   |        |            |
|---|--------|------------|
| 3.00%, 8/01/43  | 13,305 | 13,579,040 |
| 4.00%, 12/01/41 12/01/43                                      | 9,433  | 10,155,157 |
| 4.50%, 7/01/41 4/01/42  | 22,154 | 24,151,627 |
| 5.00%, 8/01/34  | 3,696  | 4,122,073  |
| 5.50%, 7/01/16 6/01/38  | 2,067  | 2,342,887  |
| 6.00%, 3/01/16 12/01/38                                       | 1,729  | 1,962,673  |
| Freddie Mac Mortgage-Backed Securities, 6.00%, 5/1/16 12/1/18 | 177    | 184,429    |
| Ginnie Mae Mortgage-Backed Securities:                        |        |            |
| 5.50%, 8/15/33  | 62     | 69,903     |
| 8.00%, 7/15/24  | (i)    | 288        |
|   |        | 56,568,077 |

**Principal Only Collateralized Mortgage**

**Obligations 0.0%**

|   |    |        |
|---|----|--------|
| Fannie Mae Mortgage-Backed Securities, 0.00%, 2/25/23 6/25/23 (h) | 23 | 22,045 |
|---|----|--------|

**Total U.S. Government Sponsored**

|                                |  |            |
|--------------------------------|--|------------|
| <b>Agency Securities 12.2%</b> |  | 99,549,159 |
|--------------------------------|--|------------|

See Notes to Financial Statements.

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

## Schedule of Investments (continued)

|  | <b>Par<br/>(000)</b> | <b>Value</b>  |
|--|----------------------|---------------|
| <b>U.S. Treasury Obligations</b>             |                      |               |
| U.S. Treasury Bonds (d):                     |                      |               |
| 5.38%, 2/15/31                               | USD 375              | \$ 528,633    |
| 4.75%, 2/15/41                               | 3,251                | 4,625,562     |
| 4.38%, 5/15/41                               | 1,605                | 2,171,013     |
| 3.00%, 5/15/42                               | 5,460                | 5,901,064     |
| 3.38%, 5/15/44                               | 2,000                | 2,317,188     |
| 3.00%, 11/15/44                              | 67,500               | 73,089,810    |
| U.S. Treasury Note, 2.25%, 11/15/24 (d)      | 17,680               | 18,052,942    |
| <b>Total U.S. Treasury Obligations 13.0%</b> |                      | 106,686,212   |
| <b>Total Long-Term Investments</b>           |                      |               |
| <b>(Cost \$1,110,277,171) 143.4%</b>         |                      | 1,175,117,307 |

|  | <b>Shares</b> |           |
|--|---------------|-----------|
| <b>Short-Term Securities</b>   |               |           |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.05% (j)(k) |               |           |
|  | 3,264,015     | 3,264,015 |
| <b>Total Short-Term Securities</b>                                     |               |           |
| <b>(Cost \$3,264,015) 0.4%</b>   |               | 3,264,015 |

|   |               |
|---|---------------|
| <b>Options Purchased</b>                        | <b>Value</b>  |
| <b>(Cost \$2,333,334) 0.2%</b>                  | \$ 1,991,055  |
| <b>Total Investments Before Options Written</b> |               |
| <b>(Cost \$1,115,874,520) 144.0%</b>            | 1,180,372,377 |

|  |                |
|--|----------------|
| <b>Options Written</b>                               |                |
| <b>(Premiums Received \$8,319,002) (1.1)%</b>        | (8,965,566)    |
| <b>Total Investments, Net of Options Written</b>     |                |
| <b>(Cost \$1,107,555,518) 142.9%</b>                 | 1,171,406,811  |
| <b>Liabilities in Excess of Other Assets (42.9)%</b> | (352,092,858)  |
| <b>Net Assets 100.0%</b>                             | \$ 819,313,953 |

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

| <b>Counterparty</b>          | <b>Value</b> | <b>Unrealized<br/>Appreciation</b> |
|------------------------------|--------------|------------------------------------|
| BNP Paribas Securities Corp. | \$981,036    |                                    |
| Wells Fargo Securities, LLC  | \$984,240    | \$2                                |

(d)

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All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.

- (e) Security is perpetual in nature and has no stated maturity date.
- (f) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (g) Convertible security.
- (h) Zero-coupon bond.
- (i) Amount is less than \$500.
- (j) During the six months ended February 28, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the 1940 Act were as follows:

| <b>Affiliate</b>   | <b>Shares Held at August 31, 2014</b> | <b>Net Activity</b> | <b>Shares Held at February 28, 2015</b> | <b>Income</b> |
|--|---------------------------------------|---------------------|---|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 742,474                               | 2,521,541           | 3,264,015                               | \$1,469       |

- (k) Represents the current yield as of report date.  
As of February 28, 2015, reverse repurchase agreements outstanding were as follows:

| <b>Counterparty</b> | <b>Interest Rate</b> | <b>Trade Date</b> | <b>Maturity Date<sup>1</sup></b> | <b>Face Value</b> | <b>Face Value Including Accrued Interest</b> |
|---------------------|----------------------|-------------------|----------------------------------|-------------------|--|
| UBS Securities LLC  | 0.28%                | 2/10/14           | Open                             | \$ 3,373,000      | \$ 3,383,494                                 |
| UBS Securities LLC  | 0.32%                | 2/10/14           | Open                             | 2,369,000         | 2,377,515                                    |
| UBS Securities LLC  | 0.32%                | 2/10/14           | Open                             | 1,348,000         | 1,353,039                                    |
| UBS Securities LLC  | 0.32%                | 2/10/14           | Open                             | 2,289,000         | 2,297,243                                    |
| UBS Securities LLC  | 0.32%                | 2/10/14           | Open                             | 1,355,000         | 1,360,063                                    |
| UBS Securities LLC  | 0.32%                | 2/10/14           | Open                             | 1,416,000         | 1,421,271                                    |
| UBS Securities LLC  | 0.33%                | 2/10/14           | Open                             | 1,073,000         | 1,077,217                                    |
| UBS Securities LLC  | 0.34%                | 2/10/14           | Open                             | 1,233,000         | 1,237,910                                    |
| UBS Securities LLC  | 0.34%                | 2/10/14           | Open                             | 3,805,000         | 3,819,213                                    |
| UBS Securities LLC  | 0.34%                | 2/10/14           | Open                             | 1,410,000         | 1,415,550                                    |
| UBS Securities LLC  | 0.34%                | 2/10/14           | Open                             | 827,000           | 830,441                                      |
| UBS Securities LLC  | 0.34%                | 2/10/14           | Open                             | 1,853,000         | 1,860,153                                    |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

As of February 28, 2015, reverse repurchase agreements outstanding were as follows (continued):

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|
| UBS Securities LLC             | 0.40%         | 2/10/14    | Open                       | \$ 496,000 | \$ 498,561                            |
| Deutsche Bank Securities, Inc. | 0.07%         | 4/16/14    | Open                       | 2,000,000  | 2,002,989                             |
| Deutsche Bank Securities, Inc. | 0.18%         | 4/16/14    | Open                       | 6,100,000  | 6,107,365                             |
| UBS Securities LLC             | 0.32%         | 5/13/14    | Open                       | 1,610,000  | 1,614,614                             |
| UBS Securities LLC             | 0.34%         | 5/13/14    | Open                       | 1,172,000  | 1,175,671                             |
| UBS Securities LLC             | 0.34%         | 5/13/14    | Open                       | 633,000    | 635,190                               |
| UBS Securities LLC             | 0.40%         | 5/13/14    | Open                       | 3,880,000  | 3,892,995                             |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 534,000    | 536,171                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 556,000    | 557,973                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 354,000    | 355,420                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 272,000    | 273,195                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 979,000    | 982,210                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 468,000    | 469,656                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 294,000    | 295,255                               |
| Barclays Capital, Inc.         | 0.35%         | 5/14/14    | Open                       | 738,000    | 740,352                               |
| Barclays Capital, Inc.         | (1.75)%       | 6/25/14    | Open                       | 1,102,710  | 1,089,363                             |
| Barclays Capital, Inc.         | 0.35%         | 6/26/14    | Open                       | 2,981,250  | 2,988,888                             |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 1,069,000  | 1,071,763                             |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 1,823,000  | 1,827,394                             |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 2,172,000  | 2,177,149                             |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 968,000    | 970,544                               |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 963,000    | 965,533                               |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 1,884,000  | 1,888,526                             |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 490,000    | 491,542                               |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 1,203,000  | 1,206,210                             |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 834,000    | 836,364                               |
| BNP Paribas Securities Corp.   | 0.39%         | 7/07/14    | Open                       | 853,000    | 855,407                               |
| HSBC Securities (USA), Inc.    | 0.55%         | 9/16/14    | Open                       | 3,198,750  | 3,207,263                             |
| Bank of America Securities LLC | 0.14%         | 10/28/14   | Open                       | 1,306,000  | 1,307,075                             |
| Bank of America Securities LLC | 0.14%         | 10/28/14   | Open                       | 820,000    | 820,392                               |
| BNP Paribas Securities Corp.   | 0.14%         | 10/28/14   | Open                       | 847,000    | 848,018                               |
| BNP Paribas Securities Corp.   | 0.34%         | 10/28/14   | Open                       | 3,986,000  | 3,990,630                             |
| BNP Paribas Securities Corp.   | 0.34%         | 10/28/14   | Open                       | 1,321,000  | 1,322,535                             |
| BNP Paribas Securities Corp.   | 0.35%         | 10/28/14   | Open                       | 4,751,000  | 4,756,681                             |
| BNP Paribas Securities Corp.   | 0.36%         | 10/28/14   | Open                       | 1,509,000  | 1,510,856                             |
| BNP Paribas Securities Corp.   | 0.36%         | 10/28/14   | Open                       | 2,407,000  | 2,409,961                             |
| BNP Paribas Securities Corp.   | 0.36%         | 10/28/14   | Open                       | 967,000    | 968,189                               |
| Barclays Capital, Inc.         | 0.35%         | 10/29/14   | Open                       | 3,228,000  | 3,239,030                             |
| BNP Paribas Securities Corp.   | 0.39%         | 10/31/14   | Open                       | 2,147,000  | 2,149,526                             |
| BNP Paribas Securities Corp.   | 0.39%         | 10/31/14   | Open                       | 821,000    | 821,966                               |
| BNP Paribas Securities Corp.   | 0.39%         | 10/31/14   | Open                       | 1,904,000  | 1,906,240                             |

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|                              |         |          |      |           |           |
|------------------------------|---------|----------|------|-----------|-----------|
| Barclays Capital, Inc.       | (3.00)% | 11/10/14 | Open | 866,000   | 857,990   |
| Barclays Capital, Inc.       | 0.35%   | 11/10/14 | Open | 1,076,000 | 1,077,257 |
| Barclays Capital, Inc.       | 0.35%   | 11/10/14 | Open | 1,032,000 | 1,033,114 |
| Barclays Capital, Inc.       | 0.35%   | 11/10/14 | Open | 4,796,000 | 4,801,176 |
| HSBC Securities (USA), Inc.  | 0.40%   | 11/10/14 | Open | 4,289,500 | 4,294,790 |
| HSBC Securities (USA), Inc.  | 0.40%   | 11/10/14 | Open | 7,682,500 | 7,691,975 |
| HSBC Securities (USA), Inc.  | 0.40%   | 11/10/14 | Open | 4,169,900 | 4,175,043 |
| HSBC Securities (USA), Inc.  | 0.40%   | 11/10/14 | Open | 4,358,094 | 4,363,469 |
| HSBC Securities (USA), Inc.  | 0.40%   | 11/10/14 | Open | 4,691,341 | 4,697,127 |
| HSBC Securities (USA), Inc.  | 0.40%   | 11/10/14 | Open | 7,707,000 | 7,716,505 |
| BNP Paribas Securities Corp. | 0.13%   | 11/10/14 | Open | 1,030,000 | 1,030,413 |
| BNP Paribas Securities Corp. | 0.14%   | 11/10/14 | Open | 854,000   | 854,369   |
| BNP Paribas Securities Corp. | 0.14%   | 11/10/14 | Open | 1,353,000 | 1,353,584 |
| BNP Paribas Securities Corp. | 0.14%   | 11/10/14 | Open | 6,547,000 | 6,549,826 |
| BNP Paribas Securities Corp. | 0.14%   | 11/10/14 | Open | 1,358,000 | 1,358,586 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 2,679,000 | 2,681,891 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 1,564,000 | 1,565,688 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 4,083,000 | 4,087,406 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 2,131,000 | 2,133,300 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 1,754,000 | 1,755,893 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 857,000   | 857,925   |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 4,769,000 | 4,774,146 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 1,211,000 | 1,212,307 |
| BNP Paribas Securities Corp. | 0.35%   | 11/10/14 | Open | 1,125,000 | 1,126,214 |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

As of February 28, 2015, reverse repurchase agreements outstanding were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | \$ 2,137,000 | \$ 2,139,306                          |
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | 1,147,000    | 1,148,238                             |
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | 2,914,000    | 2,917,145                             |
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | 1,009,000    | 1,010,089                             |
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | 488,000      | 488,527                               |
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | 1,310,000    | 1,311,414                             |
| BNP Paribas Securities Corp.       | 0.35%         | 11/10/14   | Open                       | 2,818,000    | 2,821,041                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,212,000    | 1,213,271                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,911,000    | 1,913,003                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,520,000    | 1,521,593                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 3,932,000    | 3,936,122                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 176,000      | 176,184                               |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,206,000    | 1,207,264                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,409,000    | 1,410,477                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,584,000    | 1,585,661                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,550,000    | 1,551,625                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,447,000    | 1,448,517                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 3,614,000    | 3,617,789                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 4,265,000    | 4,269,471                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,369,000    | 1,370,435                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 1,360,000    | 1,361,426                             |
| UBS Securities LLC                 | 0.34%         | 11/10/14   | Open                       | 942,000      | 942,987                               |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,600,000    | 1,601,533                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,924,000    | 1,925,844                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,817,000    | 1,818,741                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,736,000    | 1,737,664                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 2,020,000    | 2,021,936                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,961,000    | 1,962,879                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,900,000    | 1,901,821                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,701,000    | 1,702,630                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 1,878,000    | 1,879,800                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 2,080,000    | 2,081,993                             |
| RBC Capital Markets, LLC           | 0.34%         | 12/19/14   | Open                       | 3,421,063    | 3,423,389                             |
| Credit Suisse Securities (USA) LLC | 0.50%         | 12/19/14   | Open                       | 1,637,000    | 1,638,569                             |
| Credit Suisse Securities (USA) LLC | 0.50%         | 12/19/14   | Open                       | 1,855,000    | 1,856,778                             |
| BNP Paribas Securities Corp.       | 0.07%         | 1/21/15    | Open                       | 2,413,264    | 2,413,620                             |
| BNP Paribas Securities Corp.       | 0.09%         | 1/21/15    | Open                       | 547,968      | 548,050                               |
| BNP Paribas Securities Corp.       | 0.11%         | 1/21/15    | Open                       | 3,057,600    | 3,058,052                             |
| BNP Paribas Securities Corp.       | 0.11%         | 1/21/15    | Open                       | 3,057,600    | 3,058,052                             |
| BNP Paribas Securities Corp.       | 0.13%         | 1/21/15    | Open                       | 1,124,000    | 1,124,166                             |
| BNP Paribas Securities Corp.       | 0.14%         | 1/21/15    | Open                       | 2,405,000    | 2,405,355                             |



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|                                    |       |         |         |                |                |
|------------------------------------|-------|---------|---------|----------------|----------------|
| Credit Suisse Securities (USA) LLC | 0.22% | 2/11/15 | 3/12/15 | 42,315,000     | 42,322,758     |
| BNP Paribas Securities Corp.       | 0.00% | 2/12/15 | Open    | 72,435,000     | 72,437,052     |
| Credit Suisse Securities (USA) LLC | 0.07% | 2/17/15 | Open    | 15,281,250     | 15,282,167     |
| <b>Total</b>                       |       |         |         | \$ 367,462,790 | \$ 367,812,199 |

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

As of February 28, 2015, financial futures contracts outstanding were as follows:

| <b>Contracts</b>    |                               | <b>Exchange</b>        | <b>Expiration</b> | <b>Notional Value</b> | <b>Unrealized Appreciation (Depreciation)</b> |
|---------------------|-------------------------------|------------------------|-------------------|-----------------------|---|
| <b>Long/(Short)</b> |                               |                        |                   |                       |   |
| (248)               | 10-Year U.S. Treasury Note    | Chicago Board of Trade | June 2015         | USD 31,693,625        | \$ 25,553                                     |
| (342)               | 2-Year U.S. Treasury Note     | Chicago Board of Trade | June 2015         | USD 74,753,719        | 17,409  |
| 173                 | 5-Year U.S. Treasury Note     | Chicago Board of Trade | June 2015         | USD 20,635,656        | (14,549 )                                     |
| 250                 | 90 Day Euro Future            | ICE Futures Europe     | June 2015         | GBP 47,955,864        | (4,018 )                                      |
| 640                 | 90 Day Euro Future            | Chicago Mercantile     | June 2015         | USD 159,400,000       | 44,768  |
| 230                 | Ultra Long U.S. Treasury Bond | Chicago Board of Trade | June 2015         | USD 38,704,688        | 44,589  |
| (608)               | 90-Day Euro-Dollar            | Chicago Mercantile     | September 2015    | USD 151,156,400       | (50,721 )                                     |
| (250)               | 90 Day Euro Future            | ICE Futures Europe     | September 2015    | GBP 47,917,268        | 8,217   |
| (110)               | 90-Day Euro-Dollar            | Chicago Mercantile     | March 2016        | USD 27,227,750        | (16,677 )                                     |
| 100                 | 90 Day Euro Future            | Chicago Mercantile     | December 2016     | USD 24,596,250        | 29,664  |
| (100)               | 90 Day Euro Future            | Chicago Mercantile     | December 2017     | USD 24,467,500        | (62,003 )                                     |
| <b>Total</b>        |                               |                        |                   |                       | \$ 22,232                                     |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

As of February 28, 2015, forward foreign currency exchange contracts outstanding were as follows:

| Currency Purchased | Currency Sold  | Counterparty                    | Settlement Date | Unrealized Appreciation/ (Depreciation) |
|--------------------|----------------|---------------------------------|-----------------|---|
| EUR 276,000        | USD 309,469    | BNP Paribas S.A.                | 4/21/15         | \$ (433 )                               |
| EUR 62,000         | USD 70,121     | Standard Chartered Bank         | 4/21/15         | (700 )                                  |
| EUR 80,000         | USD 90,577     | State Street Bank and Trust Co. | 4/21/15         | (1,001 )                                |
| GBP 1,573,000      | USD 2,374,602  | State Street Bank and Trust Co. | 4/21/15         | 53,057                                  |
| USD 3,696,262      | EUR 3,203,000  | Citibank N.A.                   | 4/21/15         | 109,887                                 |
| USD 19,117,743     | GBP 12,603,000 | Bank of America N.A.            | 4/21/15         | (332,855 )                              |
| <b>Total</b>       |                |                                 |                 | \$ (172,045 )                           |

As of February 28, 2015, OTC interest rate swaptions purchased were as follows:

|                    | Counterparty             | Put/ Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) |
|--------------------|--------------------------|-----------|---------------|---------------------------|---------------------|-----------------|-----------------------|
| Interest Rate Swap | Deutsche Bank AG         | Call      | 1.95%         | Pay                       | 3-Month LIBOR       | 10/30/15        | USD 36,500            |
| Interest Rate Swap | Citibank N.A.            | Call      | 1.75%         | Pay                       | 3-Month LIBOR       | 2/12/16         | USD 6,000             |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Call      | 2.25%         | Pay                       | 3-Month LIBOR       | 2/13/17         | USD 3,000             |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Call      | 2.25%         | Pay                       | 3-Month LIBOR       | 2/17/17         | USD 3,000             |
| Interest Rate Swap | Deutsche Bank AG         | Call      | 4.50%         | Pay                       | 3-Month LIBOR       | 5/22/18         | USD 12,000            |
| Interest Rate Swap | Deutsche Bank AG         | Put       | 2.35%         | Receive                   | 3-Month LIBOR       | 5/22/15         | USD 1,600             |
| Interest Rate Swap | Citibank N.A.            | Put       | 2.35%         | Receive                   | 3-Month LIBOR       | 5/22/15         | USD 3,600             |
| Interest Rate Swap | Deutsche Bank AG         | Put       | 1.95%         | Receive                   | 3-Month LIBOR       | 10/30/15        | USD 36,500            |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Put       | 4.00%         | Receive                   | 3-Month LIBOR       | 2/03/22         | USD 5,000             |
| Interest Rate Swap | Bank of America N.A.     | Put       | 4.00%         | Receive                   | 3-Month LIBOR       | 2/04/22         | USD 5,000             |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Put       | 4.00%         | Receive                   | 3-Month LIBOR       | 2/11/22         | USD 5,000             |

As of February 28, 2015, OTC interest rate swaptions written were as follows:

|                    | Counterparty             | Put/ Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) |
|--------------------|--------------------------|-----------|---------------|---------------------------|---------------------|-----------------|-----------------------|
| Interest Rate Swap | Deutsche Bank AG         | Call      | 1.45%         | Pay                       | 3-Month LIBOR       | 10/30/15        | USD 36,500            |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Call      | 2.50%         | Pay                       | 3-Month LIBOR       | 5/22/15         | USD 24,000            |
| Interest Rate Swap | Deutsche Bank AG         | Call      | 2.79%         | Pay                       | 3-Month LIBOR       | 11/17/15        | USD 27,000            |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Call      | 2.40%         | Pay                       | 3-Month LIBOR       | 12/21/15        | USD 5,000             |
| Interest Rate Swap | Goldman Sachs Bank USA   | Call      | 1.60%         | Pay                       | 3-Month LIBOR       | 1/20/16         | USD 6,400             |
| Interest Rate Swap | BNP Paribas S.A.         | Call      | 1.55%         | Pay                       | 3-Month LIBOR       | 1/21/16         | USD 27,700            |
| Interest Rate Swap | JPMorgan Chase Bank N.A. | Call      | 0.44%         | Pay                       | 3-Month LIBOR       | 1/22/16         | EUR 6,680             |
| Interest Rate Swap | Deutsche Bank AG         | Call      | 0.48%         | Pay                       | 3-Month LIBOR       | 1/22/16         | EUR 6,670             |
| Interest Rate Swap | Deutsche Bank AG         | Call      | 1.60%         | Pay                       | 3-Month LIBOR       | 1/26/16         | USD 6,300             |
| Interest Rate Swap | Citibank N.A.            | Call      | 1.40%         | Pay                       | 3-Month LIBOR       | 2/12/16         | USD 12,000            |
| Interest Rate Swap | Deutsche Bank AG         | Call      | 2.50%         | Pay                       | 3-Month LIBOR       | 3/17/16         | USD 12,000            |
| Interest Rate Swap | Deutsche Bank AG         | Call      | 2.60%         | Pay                       | 3-Month LIBOR       | 3/17/16         | USD 12,000            |

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|                    |                             |      |       |         |               |          |           |
|--------------------|-----------------------------|------|-------|---------|---------------|----------|-----------|
| Interest Rate Swap | Deutsche Bank AG            | Call | 1.75% | Pay     | 3-Month LIBOR | 1/09/17  | USD2,500  |
| Interest Rate Swap | Credit Suisse International | Call | 1.75% | Pay     | 3-Month LIBOR | 1/09/17  | USD2,500  |
| Interest Rate Swap | HSBC Bank USA, N.A.         | Call | 1.75% | Pay     | 3-Month LIBOR | 1/17/17  | USD3,300  |
| Interest Rate Swap | Credit Suisse International | Call | 2.47% | Pay     | 3-Month LIBOR | 2/06/17  | USD4,900  |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Call | 1.50% | Pay     | 3-Month LIBOR | 2/13/17  | USD4,500  |
| Interest Rate Swap | Deutsche Bank AG            | Call | 1.90% | Pay     | 3-Month LIBOR | 2/13/17  | USD6,900  |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Call | 1.50% | Pay     | 3-Month LIBOR | 2/17/17  | USD4,500  |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put  | 3.50% | Receive | 3-Month LIBOR | 5/22/15  | USD24,000 |
| Interest Rate Swap | Barclays Bank PLC           | Put  | 2.70% | Receive | 3-Month LIBOR | 5/26/15  | USD4,000  |
| Interest Rate Swap | HSBC Bank USA               | Put  | 2.70% | Receive | 3-Month LIBOR | 5/26/15  | USD4,000  |
| Interest Rate Swap | Deutsche Bank AG            | Put  | 2.30% | Receive | 3-Month LIBOR | 10/30/15 | USD36,500 |
| Interest Rate Swap | Deutsche Bank AG            | Put  | 2.79% | Receive | 3-Month LIBOR | 11/17/15 | USD27,000 |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put  | 2.70% | Receive | 3-Month LIBOR | 12/21/15 | USD5,000  |
| Interest Rate Swap | Goldman Sachs Bank USA      | Put  | 2.60% | Receive | 3-Month LIBOR | 1/20/16  | USD6,400  |
| Interest Rate Swap | BNP Paribas S.A.            | Put  | 2.55% | Receive | 3-Month LIBOR | 1/21/16  | USD27,700 |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put  | 0.44% | Receive | 3-Month LIBOR | 1/22/16  | EUR6,680  |
| Interest Rate Swap | Deutsche Bank AG            | Put  | 0.48% | Receive | 3-Month LIBOR | 1/22/16  | EUR6,670  |
| Interest Rate Swap | Barclays Bank PLC           | Put  | 0.48% | Receive | 3-Month LIBOR | 1/22/16  | EUR6,650  |
| Interest Rate Swap | Barclays Bank PLC           | Put  | 0.55% | Receive | 3-Month LIBOR | 1/22/16  | EUR10,000 |
| Interest Rate Swap | Deutsche Bank AG            | Put  | 2.60% | Receive | 3-Month LIBOR | 1/26/16  | USD6,300  |
| Interest Rate Swap | Deutsche Bank AG            | Put  | 3.60% | Receive | 3-Month LIBOR | 3/17/16  | USD12,000 |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put  | 0.60% | Receive | 3-Month LIBOR | 4/26/16  | EUR15,000 |
| Interest Rate Swap | Deutsche Bank AG            | Put  | 6.00% | Receive | 3-Month LIBOR | 5/22/18  | USD24,000 |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

As of February 28, 2015, OTC interest rate swaptions written were as follows (concluded):

|                    |                             | <b>Put/<br/>Call</b> | <b>Exercise<br/>Rate</b> | <b>Pay/Receive<br/>Exercise Rate</b> | <b>Floating Rate<br/>Index</b> | <b>Expiration<br/>Date</b> | <b>Notional<br/>Amount<br/>(000)</b> |
|--------------------|-----------------------------|----------------------|--------------------------|--------------------------------------|--------------------------------|----------------------------|--------------------------------------|
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD2,500                             |
| Interest Rate Swap | Credit Suisse International | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD2,500                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 3.50%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD4,200                             |
| Interest Rate Swap | Barclays Bank PLC           | Put                  | 3.50%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD4,400                             |
| Interest Rate Swap | BNP Paribas S.A.            | Put                  | 3.50%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD9,300                             |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put                  | 3.55%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD 15,000                           |
| Interest Rate Swap | Goldman Sachs Bank USA      | Put                  | 3.60%                    | Receive                              | 3-Month LIBOR                  | 1/09/17                    | USD4,400                             |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put                  | 2.70%                    | Receive                              | 3-Month LIBOR                  | 1/12/17                    | USD1,000                             |
| Interest Rate Swap | HSBC Bank USA, N.A.         | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/17/17                    | USD3,300                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/30/17                    | USD2,000                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/30/17                    | USD2,000                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/30/17                    | USD4,000                             |
| Interest Rate Swap | Barclays Bank PLC           | Put                  | 2.75%                    | Receive                              | 3-Month LIBOR                  | 1/30/17                    | USD6,800                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 2.70%                    | Receive                              | 3-Month LIBOR                  | 2/02/17                    | USD2,000                             |
| Interest Rate Swap | Credit Suisse International | Put                  | 2.47%                    | Receive                              | 3-Month LIBOR                  | 2/06/17                    | USD4,900                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 2.90%                    | Receive                              | 3-Month LIBOR                  | 2/13/17                    | USD6,900                             |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put                  | 3.50%                    | Receive                              | 3-Month LIBOR                  | 2/13/17                    | USD3,000                             |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put                  | 3.50%                    | Receive                              | 3-Month LIBOR                  | 2/17/17                    | USD3,000                             |
| Interest Rate Swap | Deutsche Bank AG            | Put                  | 3.70%                    | Receive                              | 3-Month LIBOR                  | 1/08/18                    | USD5,000                             |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put                  | 6.00%                    | Receive                              | 3-Month LIBOR                  | 2/03/22                    | USD10,000                            |
| Interest Rate Swap | Bank of America N.A.        | Put                  | 6.00%                    | Receive                              | 3-Month LIBOR                  | 2/04/22                    | USD10,000                            |
| Interest Rate Swap | JPMorgan Chase Bank N.A.    | Put                  | 6.00%                    | Receive                              | 3-Month LIBOR                  | 2/11/22                    | USD10,000                            |

As of February 28, 2015, centrally cleared interest rate swaps outstanding were as follows:

| <b>Fixed<br/>Rate</b> | <b>Floating<br/>Rate</b> | <b>Clearinghouse</b> | <b>Effective<br/>Date</b> | <b>Expiration<br/>Date</b> | <b>Notional<br/>Amount<br/>(000)</b> | <b>Unrealized<br/>Appreciation<br/>(Depreciation)</b> |
|-----------------------|--------------------------|----------------------|---------------------------|----------------------------|--------------------------------------|---|
| 0.56% <sup>1</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 6/25/15                    | USD41,800                            | \$ (36,182 )  |
| 1.64% <sup>1</sup>    | 3-Month LIBOR            | Chicago Mercantile   | 4/06/15 <sup>2</sup>      | 5/31/19                    | USD34,400                            | (141,235 )  |
| 1.65% <sup>1</sup>    | 3-Month LIBOR            | Chicago Mercantile   | 4/06/15 <sup>2</sup>      | 5/31/19                    | USD21,100                            | (91,464 )   |
| 1.65% <sup>3</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 2/27/20                    | USD16,100                            | (3,213 )  |
| 0.27% <sup>1</sup>    | 6-Month EURIBOR          | Chicago Mercantile   | 3/03/15 <sup>2</sup>      | 3/03/20                    | EUR3,900                             | 159   |
| 0.27% <sup>3</sup>    | 6-Month EURIBOR          | Chicago Mercantile   | 3/03/15 <sup>2</sup>      | 3/03/20                    | EUR4,100                             | (404 )  |
| 2.18% <sup>1</sup>    | 3-Month LIBOR            | Chicago Mercantile   | 3/31/15 <sup>2</sup>      | 10/31/21                   | USD10,300                            | (189,238 )  |
| 1.70% <sup>3</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 1/16/22                    | USD1,200                             | (15,041 )   |
| 2.59% <sup>3</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 7/22/24                    | USD2,300                             | 100,679   |
| 2.62% <sup>3</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 7/24/24                    | USD2,200                             | 101,331   |
| 2.19% <sup>3</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 12/18/24                   | USD3,700                             | 24,181  |
| 2.15% <sup>1</sup>    | 3-Month LIBOR            | Chicago Mercantile   | N/A                       | 2/19/25                    | USD1,050                             | (2,500 )  |
| 2.08% <sup>3</sup>    | 3-Month LIBOR            | Chicago Mercantile   | 3/02/15 <sup>2</sup>      | 3/02/25                    | USD2,000                             | (8,835 )  |

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|                    |               |                    |                      |         |           |             |   |
|--------------------|---------------|--------------------|----------------------|---------|-----------|-------------|---|
| 2.08% <sup>3</sup> | 3-Month LIBOR | Chicago Mercantile | 3/02/15 <sup>2</sup> | 3/02/25 | USD 2,000 | (8,558      | ) |
| 2.36% <sup>3</sup> | 3-Month LIBOR | Chicago Mercantile | 1/12/16 <sup>2</sup> | 1/12/26 | USD 6,500 | 11,547      |   |
| 2.18% <sup>3</sup> | 3-Month LIBOR | Chicago Mercantile | 2/08/16 <sup>2</sup> | 2/08/26 | USD 2,200 | (34,063     | ) |
| 2.20% <sup>1</sup> | 3-Month LIBOR | Chicago Mercantile | N/A                  | 2/04/45 | USD 700   | 45,280      |   |
| 2.58% <sup>3</sup> | 3-Month LIBOR | Chicago Mercantile | N/A                  | 2/26/45 | USD 700   | 13,951      |   |
| 2.61% <sup>1</sup> | 3-Month LIBOR | Chicago Mercantile | 1/12/16 <sup>2</sup> | 1/12/46 | USD 2,800 | (23,274     | ) |
| 2.42% <sup>1</sup> | 3-Month LIBOR | Chicago Mercantile | 2/08/16 <sup>2</sup> | 2/08/46 | USD 900   | 31,053      |   |
| <b>Total</b>       |               |                    |                      |         |           | \$ (225,826 | ) |

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

<sup>2</sup> Forward swap.

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

As of February 28, 2015, OTC credit default swaps buy protection outstanding were as follows:

|                                      | <b>Pay</b>   |                     | <b>Expiration</b> | <b>Notional</b> |              | <b>Premiums</b> | <b>Unrealized</b>   |
|--------------------------------------|--------------|---------------------|-------------------|-----------------|--------------|-----------------|---------------------|
|                                      | <b>Fixed</b> |                     | <b>Date</b>       | <b>Amount</b>   | <b>Value</b> | <b>Paid</b>     | <b>Depreciation</b> |
|                                      | <b>Rate</b>  | <b>Counterparty</b> |                   | <b>(000)</b>    |              |                 |                     |
| Group, Inc.                          | 5.00%        | Citibank N.A.       | 6/20/15           | USD 2,800       | \$(39,666)   | \$ 9,936        | \$(49,602)          |
| New York Times Co.                   | 1.00%        | Barclays Bank PLC   | 12/20/16          | USD 3,600       | (45,958)     | 90,965          | (136,923)           |
| Banking Corp.                        | 1.00%        | Deutsche Bank AG    | 9/20/17           | USD 1           | (9)          | 8               | (17)                |
| lia & New Zealand Banking Group Ltd. | 1.00%        | Deutsche Bank AG    | 9/20/17           | USD 1           | (9)          | 8               | (17)                |
|                                      |              |                     |                   |                 | \$(85,642)   | \$100,917       | \$(186,701)         |

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

As of February 28, 2015, OTC credit default swaps sold protection outstanding were as follows:

| Index | Receive Fixed |                                     | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount    |          | Premiums Received | Unrealized Appreciation |      |
|-------|---------------|-------------------------------------|-----------------|----------------------------|--------------------|----------|-------------------|-------------------------|------|
|       | Rate          | Counterparty                        |                 |                            | (000) <sup>2</sup> | Value    |                   |                         |      |
| Inc.  | 1.00%         | Morgan Stanley Capital Services LLC | 9/20/16         | A-                         | USD 1,810          | \$21,882 | \$(46,316)        | \$6                     |      |
| Inc.  | 1.00%         | Deutsche Bank AG                    | 9/20/16         | A-                         | USD 1,460          | 17,650   | (38,098)          | 5                       |      |
| Inc.  | 1.00%         | Morgan Stanley Capital Services LLC | 9/20/16         | A-                         | USD 550            | 6,649    | (12,553)          | 1                       |      |
| Inc.  | 1.00%         | Goldman Sachs Bank USA              | 9/20/16         | A-                         | USD 1,000          | 12,089   | (25,397)          | 3                       |      |
| Inc.  | 1.00%         | Credit Suisse International         | 9/20/16         | A-                         | USD 1,080          | 13,056   | (30,819)          | 4                       |      |
| Inc.  | 1.00%         | Citibank N.A.                       | 12/20/16        | A-                         | USD 595            | 8,053    | (15,664)          | 2                       |      |
| Inc.  | 1.00%         | Citibank N.A.                       | 12/20/16        | A-                         | USD 575            | 7,791    | (16,499)          | 2                       |      |
|       |               |                                     |                 |                            |                    |          | \$ 87,170         | \$(185,346)             | \$ 2 |

<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.

As of February 28, 2015, OTC interest rate swaps outstanding were as follows:

| Fixed Rate         | Floating Rate | Counterparty             | Effective Date       | Expiration Date | Notional Amount |         | Premiums Paid (Received) | Unrealized Appreciation |
|--------------------|---------------|--------------------------|----------------------|-----------------|-----------------|---------|--------------------------|-------------------------|
|                    |               |                          |                      |                 | (000)           | Value   |                          |                         |
| 0.00% <sup>3</sup> | 3-Month LIBOR | JPMorgan Chase Bank N.A. | 9/26/17 <sup>4</sup> | 9/26/19         | USD 21,000      | \$9,354 |                          | \$9,354                 |
| 0.00% <sup>3</sup> | 3-Month LIBOR | JPMorgan Chase Bank N.A. | 1/30/17 <sup>4</sup> | 1/30/25         | USD 2,500       | 2,524   |                          | 2,524                   |
| <b>Total</b>       |               |                          |                      |                 |                 |         | \$ 11,878                | \$ 11,878               |

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

<sup>4</sup> Forward swap.

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. 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. 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. The three levels of the fair value hierarchy are as follows: Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

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

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of February 28, 2015, the following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | Level 1              | Level 2                 | Level 3              | Total                   |
|---|----------------------|-------------------------|----------------------|-------------------------|
| <b>Assets:</b>                              |                      |                         |                      |                         |
| Investments:                                |                      |                         |                      |                         |
| Long-Term Investments:                      |                      |                         |                      |                         |
| Asset-Backed Securities                     |                      | \$ 89,628,686           | \$ 19,079,871        | \$ 108,708,557          |
| Corporate Bonds                             |                      | 573,959,430             | 11,943,350           | 585,902,780             |
| Foreign Agency Obligations                  |                      | 18,712,451              |                      | 18,712,451              |
| Municipal Bonds                             |                      | 25,529,160              |                      | 25,529,160              |
| Non-Agency Mortgage-Backed Securities       |                      | 109,791,289             | 6,030,732            | 115,822,021             |
| Preferred Securities                        | \$ 13,936,053        | 100,270,914             |                      | 114,206,967             |
| U.S. Government Sponsored Agency Securities |                      | 99,549,159              |                      | 99,549,159              |
| U.S. Treasury Obligations                   |                      | 106,686,212             |                      | 106,686,212             |
| Short-Term Securities                       | 3,264,015            |                         |                      | 3,264,015               |
| Options Purchased:                          |                      |                         |                      |                         |
| Interest Rate Contracts                     |                      | 1,991,055               |                      | 1,991,055               |
| <b>Total</b>                                | <b>\$ 17,200,068</b> | <b>\$ 1,126,118,356</b> | <b>\$ 37,053,953</b> | <b>\$ 1,180,372,377</b> |

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (concluded)

|   | Level 1          | Level 2               | Level 3 | Total                 |
|---|------------------|-----------------------|---------|-----------------------|
| Derivative Financial Instruments <sup>1</sup> |                  |                       |         |                       |
| <b>Assets:</b>                                |                  |                       |         |                       |
| Credit contracts                              |                  | \$ 272,516            |         | \$ 272,516            |
| Foreign currency exchange contracts           |                  | 162,944               |         | 162,944               |
| Interest rate contracts                       | \$ 170,200       | 340,059               |         | 510,259               |
| <b>Liabilities:</b>                           |                  |                       |         |                       |
| Credit contracts                              |                  | (186,559)             |         | (186,559)             |
| Foreign currency exchange contracts           |                  | (334,989)             |         | (334,989)             |
| Interest rate contracts                       | (147,968)        | (9,519,573)           |         | (9,667,541)           |
| <b>Total</b>                                  | <b>\$ 22,232</b> | <b>\$ (9,265,602)</b> |         | <b>\$ (9,243,370)</b> |

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

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount or face value, including accrued interest, for financial statement purposes. As of February 28, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1             | Level 2                | Level 3 | Total                  |
|--|---------------------|------------------------|---------|------------------------|
| <b>Assets:</b>                                 |                     |                        |         |                        |
| Cash   | \$ 263,422          |                        |         | \$ 263,422             |
| Cash pledged as collateral for OTC derivatives | 5,716,000           |                        |         | 5,716,000              |
| Cash pledged for financial futures contracts   | 1,017,000           |                        |         | 1,017,000              |
| Foreign currency at value                      | 55,692              |                        |         | 55,692                 |
| <b>Liabilities:</b>                            |                     |                        |         |                        |
| Reverse repurchase agreements                  |                     | \$(367,812,199)        |         | (367,812,199)          |
| <b>Total</b>                                   | <b>\$ 7,052,114</b> | <b>\$(367,812,199)</b> |         | <b>\$(360,760,085)</b> |

During the six months ended February 28, 2015, there were no transfers between Level 1 and Level 2.

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 | Corporate Bonds | Non-Agency Mortgage-Backed Securities | Total         |
|--|-------------------------|-----------------|---------------------------------------|---------------|
| <b>Assets:</b>                         |                         |                 |                                       |               |
| Opening Balance, as of August 31, 2014 | \$ 6,755,839            | \$ 8,777,320    |                                       | \$ 15,533,159 |



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|  |                      |                      |                     |                      |
|--|----------------------|----------------------|---------------------|----------------------|
| Transfers into Level 3   |                      |                      |                     |                      |
| Transfers out of Level 3 <sup>2</sup>  | (6,237,350)          | (2,409,020)          |                     | (8,646,370)          |
| Accrued discounts/premiums   | (81,991)             |                      | \$ 344              | (81,647)             |
| Net realized gain  | (146,511)            | (1,472,146)          | 4                   | (1,618,653)          |
| Net change in unrealized appreciation/depreciation <sup>3,4</sup>  | (627,987)            | (402,714)            | 14,187              | (1,016,514)          |
| Purchases <sup>5</sup>   | 19,417,871           | 7,449,910            | 6,016,201           | 32,883,982           |
| Sales  |                      |                      | (4)                 | (4)                  |
| <b>Closing Balance, as of February 28, 2015</b>  | <b>\$ 19,079,871</b> | <b>\$ 11,943,350</b> | <b>\$ 6,030,732</b> | <b>\$ 37,053,953</b> |
| Net change in unrealized appreciation/depreciation on investments still held at February 28, 2015 <sup>4</sup> | \$ (627,987)         | \$ (731,186)         | \$ 14,187           | \$ (1,344,986)       |

As of August 31, 2014, the Trust used significant unobservable inputs in determining the value of certain investments. As of February 28, 2015, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$8,646,370 transferred from Level 3 to Level 2 in the disclosure hierarchy.

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

Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized

<sup>4</sup>appreciation/depreciation on investments still held at February 28, 2015 is generally due to investments no longer held or categorized as Level 3 at period end.

<sup>5</sup>Includes investments acquired in the reorganization.

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 could result in a significantly lower or higher value of such Level 3 instruments.

See Notes to Financial Statements.

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Consolidated Schedule of Investments  
February 28, 2015 (Unaudited)

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

|  | Shares        | Value       |
|--|---------------|-------------|
| <b>Common Stocks</b>                               |               |             |
| <b>Auto Components 0.3%</b>                        |               |             |
| The Goodyear Tire & Rubber Co.                     | 197,824       | \$5,287,835 |
| <b>Capital Markets 1.7%</b>                        |               |             |
| American Capital Ltd. (a)                          | 1,434,697     | 20,946,576  |
| E*Trade Financial Corp. (a)                        | 246,100       | 6,407,214   |
| Uranium Participation Corp. (a)                    | 176,860       | 789,440     |
|  |               | 28,143,230  |
| <b>Chemicals 0.6%</b>                              |               |             |
| Advanced Emissions Solutions, Inc. (a)             | 168,580       | 2,798,428   |
| Huntsman Corp.                                     | 278,317       | 6,251,000   |
|  |               | 9,049,428   |
| <b>Communications Equipment 0.4%</b>               |               |             |
| Nokia OYJ ADR                                      | 877,870       | 7,031,739   |
| <b>Consumer Finance 1.7%</b>                       |               |             |
| Ally Financial, Inc.                               | 1,101,275     | 22,884,495  |
| Ally Financial, Inc. (a)                           | 198,832       | 4,131,729   |
|  |               | 27,016,224  |
| <b>Diversified Consumer Services 0.2%</b>          |               |             |
| HMH Holdings/EduMedia (a)                          | 206,188       | 4,078,399   |
| <b>Diversified Financial Services 0.1%</b>         |               |             |
| Concrete Investments II S.C.A                      | 4,997         |             |
| Kcad Holdings I Ltd. (a)                           | 1,563,279,160 | 1,563,279   |
|  |               | 1,563,279   |
| <b>Diversified Telecommunication Services 0.4%</b> |               |             |
| Broadview Networks Holdings, Inc. (a)              | 192,400       | 346,319     |
| Level 3 Communications, Inc. (a)                   | 115,920       | 6,243,451   |
|  |               | 6,589,770   |
| <b>Electrical Equipment 0.0%</b>                   |               |             |
| Medis Technologies Ltd. (a)                        | 365,353       | 4           |
| <b>Energy Equipment &amp; Services 0.3%</b>        |               |             |
| Laricina Energy Ltd. (a)(b)                        | 211,764       | 2,095,449   |
| Osum Oil Sands Corp. (a)(b)                        | 400,000       | 2,681,385   |
|  |               | 4,776,834   |
| <b>Hotels, Restaurants &amp; Leisure 0.7%</b>      |               |             |
| Amaya, Inc. (a)                                    | 377,280       | 10,861,777  |
| <b>Insurance 0.9%</b>                              |               |             |
| American International Group, Inc.                 | 256,865       | 14,212,340  |
| <b>Media 0.3%</b>                                  |               |             |
| Cengage Thomson Learning (a)                       | 211,142       | 4,552,855   |
| <b>Metals &amp; Mining 0.2%</b>                    |               |             |
| African Minerals Ltd. (a)                          | 225,302       | 4           |
| Constellium NV, Class A (a)                        | 122,646       | 2,319,236   |
| Peninsula Energy Ltd. (a)                          | 102,691,927   | 1,227,594   |
|  |               | 3,546,834   |
| <b>Oil, Gas &amp; Consumable Fuels 1.1%</b>        |               |             |
| African Petroleum Corp. Ltd. (a)                   | 331,833       | 20,743      |

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|   |                      |                         |
|---|----------------------|-------------------------|
| General Maritime Corp.  | 953,381              | 14,720,203              |
| Seven Generations Energy Ltd. (Acquired 3/25/14, cost \$2,419,572) (a)(b)(c)                        | 216,000              | 2,987,473<br>17,728,419 |
| <b>Paper &amp; Forest Products 0.5%</b>   |                      |                         |
| Ainsworth Lumber Co. Ltd. (a)   | 2,147,503            | 5,784,177               |
| Ainsworth Lumber Co. Ltd. (a)(d)  | 614,940              | 1,657,746               |
| Western Forest Products, Inc.   | 543,106              | 926,535<br>8,368,458    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>  |                      |                         |
| SunPower Corp. (a)  | 1,025                | 33,476                  |
| <b>Trading Companies &amp; Distributors 0.3%</b>  |                      |                         |
| HD Supply Holdings, Inc. (a)  | 139,579              | 4,118,278               |
| <b>Total Common Stocks 9.7%</b>   |                      | 156,959,179             |
|   | <b>Par<br/>(000)</b> | <b>Value</b>            |
| <b>Asset-Backed Securities</b>  |                      |                         |
| Adams Mill CLO Ltd., Series 2014-1A, Class D1, 3.75%, 7/15/26 (d)(e)                                | USD 500              | \$ 461,250              |
| ALM Loan Funding, Series 2013-7RA (d)(e):   |                      |                         |
| Class C, 3.71%, 4/24/24   | 2,840                | 2,755,669               |
| Class D, 5.26%, 4/24/24   | 2,360                | 2,190,198               |
| ALM XII, Ltd., Series 2015-12A, Class C1, 3.95%, 4/16/27 (d)(e)                                     | 1,500                | 1,426,350               |
| ALM XIV Ltd., Series 2014-14A (d)(e):   |                      |                         |
| Class C, 3.71%, 7/28/26   | 750                  | 711,856                 |
| Class D, 5.11%, 7/28/26   | 250                  | 219,321                 |
| AMMC CLO 15 Ltd., Series 2014-15A (d)(e):   |                      |                         |
| Class C1, 3.70%, 12/09/26   | 1,000                | 990,000                 |
| Class D, 4.44%, 12/09/26  | 1,000                | 960,000                 |
| Apidos CLO XVIII, Series 2014-18A, Class C, 3.91%, 7/22/26 (d)(e)                                   | 550                  | 527,327                 |
| Ares CLO Ltd. (d)(e):   |                      |                         |
| 2.55%, 11/15/25   | 1,000                | 999,950                 |
| Series 2014-32A, Class C, 4.45%, 11/15/25   | 1,250                | 1,241,675               |
| Atlas Senior Loan Fund V, Ltd., Series 2014-1A (d)(e):  |                      |                         |
| Class C, 3.25%, 7/16/26   | 250                  | 242,443                 |
| Class D, 3.70%, 7/16/26   | 250                  | 234,345                 |
| Avalon IV Capital, Ltd., Series 2012-1AR, Class CR, 3.11%, 4/17/23 (d)(e)                           | 850                  | 841,271                 |
| Benefit Street Partners CLO, Ltd., Series 2014-IVA, Class C, 3.76%, 7/20/26 (d)(e)                  | 500                  | 469,915                 |
| BlueMountain CLO 2014-1, Ltd., Series 2014-1A, Class C, 3.00%, 4/30/26 (d)(e)                       | 1,000                | 966,884                 |
| Carlyle Global Market Strategies CLO 2012-2, Ltd., Series 2012-2AR, Class ER, 6.36%, 7/20/23 (d)(e) | 580                  | 575,711                 |
| Carlyle Global Market Strategies CLO 2014-5 Ltd., Series 2014-5A, Class C, 4.43%, 10/16/25 (d)(e)   | 1,000                | 996,559                 |
| Cedar Funding Ltd., Series 2014-3A (d)(e):  |                      |                         |
| Class C, 3.06%, 5/20/26   | 800                  | 765,181                 |
| Class D, 3.81%, 5/20/26   | 535                  | 504,368                 |
| CIFC Funding 2014-II, Ltd., Series 2014-2A, Class A3L, 3.08%, 5/24/26 (d)(e)                        | 500                  | 487,367                 |

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|   |       |           |
|---|-------|-----------|
| CIFC Funding 2014-V, Ltd., Series 2014-5A, Class C, 3.59%,<br>1/17/27 (d)(e)              | 1,000 | 984,100   |
| CIFC Funding Ltd., Series 2014-3A (d)(e):   |       |           |
| Class C1, 3.06%, 7/22/26  | 500   | 484,717   |
| Class D, 3.66%, 7/22/26   | 250   | 235,676   |
| Dryden Senior Loan Fund, Series 2014-36A, Class D, 4.02%,<br>11/09/25 (d)(e)              | 1,000 | 950,000   |
| Galaxy CLO Ltd., Series 2014-18A, Class C1, 3.26%, 10/15/26<br>(d)(e)                     | 500   | 493,555   |
| Highbridge Loan Management 4-2014 Ltd., Series 4A-2014,<br>Class B, 3.26%, 7/28/25 (d)(e) | 820   | 794,741   |
| ING IM CLO 2012-4, Ltd., Series 2012-4A, Class C, 4.75%,<br>10/15/23 (d)(e)               | 1,000 | 1,002,667 |
| Jamestown CLO IV Ltd., Series 2014-4A, Class C, 3.75%,<br>7/15/26 (d)(e)                  | 250   | 237,967   |
| LCM X LP, Series 10AR, Class ER, 5.75%, 4/15/22 (d)(e)                                    | 1,000 | 984,812   |
| Madison Park Funding, Ltd. (d)(e):  |       |           |
| Series 2012-8AR, Class CR, 3.06%, 4/22/22   | 500   | 493,942   |
| Series 2012-8AR, Class DR, 4.11%, 4/22/22   | 250   | 246,823   |
| Series 2014-14A, Class D, 3.86%, 7/20/26  | 500   | 481,156   |
| Neuberger Berman CLO XVII, Ltd., Series 2014-17A, Class D,<br>3.80%, 8/04/25 (d)(e)       | 500   | 470,907   |
| Neuberger Berman CLO XVIII Ltd., Series 2014-18A:   |       |           |
| Class B, 3.38%, 11/14/25 (d)(e)   | 1,250 | 1,221,933 |
| Class C, 3.98%, 11/14/25 (d)(e)   | 1,500 | 1,430,655 |
| Oaktree EIF II Series A2, Ltd., Series 2014-A2, Class C, 3.50%,<br>11/15/25 (d)(e)        | 2,000 | 1,975,245 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

| <b>Asset-Backed Securities</b>  | <b>Par<br/>(000)</b> | <b>Value</b>      |
|---|----------------------|-------------------|
| Octagon Investment Partners XII, Ltd., Series 2012-1AR, Class ER, 5.76%, 5/05/23 (d)(e) | USD 1,200            | \$ 1,186,672      |
| Octagon Investment Partners XX Ltd., Series 2014-1A, Class D, 3.91%, 8/12/26 (d)(e)     | 250                  | 241,250           |
| Octagon Investment Partners XXII Ltd., Series 2014-1A, Class C1, 3.54%, 11/22/25 (d)(e) | 1,000                | 996,758           |
| Octagon Investment Partners XXII, Ltd., Series 2014-1A (d)(e):                          |                      |                   |
| Class B2, 2.59%, 11/22/25   | 1,000                | 1,000,022         |
| Class D1, 4.19%, 11/22/25   | 1,000                | 976,603           |
| OZLM IX Ltd., Series 2014-9A, Class C, 3.85%, 1/20/27 (d)(e)                            | 1,250                | 1,192,755         |
| Palmer Square CLO, Ltd., Series 2014-1A (d)(e):   |                      |                   |
| Class B, 2.81%, 10/17/22  | 1,100                | 1,072,811         |
| Class C, 4.11%, 10/17/22  | 845                  | 837,419           |
| Sound Point CLO Ltd., Series 2014-3A, Class D, 3.89%, 1/23/27 (d)(e)                    | 1,500                | 1,373,250         |
| Steele Creek CLO 2014-1 Ltd., Series 2014-1A, Class B, 2.48%, 8/21/26 (d)(e)            | 500                  | 488,115           |
| TICP CLO II Ltd., Series 2014-2A, Class A1A, 1.71%, 7/20/26 (d)(e)                      | 1,000                | 991,933           |
| TICP CLO III Ltd., Series 2014-3A, Class C, 3.48%, 1/20/27 (d)(e)                       | 1,000                | 1,006,752         |
| Venture CDO Ltd., Series 2014-17A, Class C, 3.10%, 7/15/26 (d)(e)                       | 500                  | 483,422           |
| Venture XIII CLO Ltd., Series 2013-13A, Class D, 3.81%, 6/10/25 (d)(e)                  | 1,000                | 961,232           |
| Venture XIX CLO, Ltd., Series 2014-19A, Class C, 3.54%, 1/15/27 (d)(e)                  | 1,000                | 981,400           |
| Voya CLO, Ltd., Series 2014-4A (d)(e):  |                      |                   |
| Class C, 4.23%, 10/14/26  | 1,750                | 1,727,302         |
| Class D, 5.73%, 10/14/26  | 1,000                | 919,661           |
| Washington Mill CLO, Ltd., Series 2014-1A (d)(e):                                       |                      |                   |
| Class C, 3.26%, 4/20/26   | 515                  | 501,021           |
| Class D, 3.71%, 4/20/26   | 660                  | 617,219           |
| WhiteHorse IX, Ltd., Series 2014-9A, Class C, 2.96%, 7/17/26 (d)(e)                     | 250                  | 236,034           |
| WhiteHorse, Ltd., Series 2014-1A, Class C, 3.01%, 5/01/26 (d)(e)                        | 680                  | 641,432           |
| <b>Total Asset-Backed Securities 3.0%</b>   |                      | <b>49,489,599</b> |
| <hr/>   |                      |                   |
| <b>Corporate Bonds</b>  |                      |                   |
| <b>Aerospace &amp; Defense 1.4%</b>   |                      |                   |
| Bombardier, Inc., 7.50%, 3/15/25 (d)(f)   | 1,450                | 1,450,000         |
| Huntington Ingalls Industries, Inc., 5.00%, 12/15/21                                    | 1,160                | 1,216,550         |

|   |     |              |              |
|---|-----|--------------|--------------|
| (d)   |     |              |              |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (d)              |     | 1,140        | 1,276,800    |
| Oshkosh Corp., 5.38%, 3/01/25 (d)(f)                          |     | 566          | 578,735      |
| TransDigm, Inc.:  |     |              |              |
| 5.50%, 10/15/20   |     | 2,490        | 2,465,100    |
| 6.00%, 7/15/22  |     | 9,680        | 9,801,000    |
| 6.50%, 7/15/24  |     | 6,048        | 6,184,080    |
|   |     |              | 22,972,265   |
| <b>Air Freight &amp; Logistics 0.3%</b>                       |     |              |              |
| National Air Cargo Group, Inc.:                               |     |              |              |
| 12.38%, 8/16/15   |     | 1,062        | 1,062,366    |
| 12.38%, 9/02/15   |     | 1,044        | 1,043,758    |
| XPO Logistics, Inc., 7.88%, 9/01/19 (d)                       |     | 3,163        | 3,362,665    |
|   |     |              | 5,468,789    |
|   |     | <b>Par</b>   | <b>Value</b> |
|   |     | <b>(000)</b> |              |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Airlines 2.8%</b>  |     |              |              |
| American Airlines Group, Inc. (d):                            |     |              |              |
| 5.50%, 10/01/19   | USD | 750          | \$ 784,688   |
| 4.63%, 3/01/20  |     | 1,450        | 1,451,813    |
| American Airlines Pass-Through Trust, Series 2013-2, Class C, |     |              |              |
| 6.00%, 1/15/17 (d)  |     | 6,420        | 6,484,200    |
| Continental Airlines Pass-Through Trust:                      |     |              |              |
| Series 1997-4, Class B, 6.90%, 7/02/18                        |     | 222          | 230,312      |
| Series 2012-3, Class C, 6.13%, 4/29/18                        |     | 5,145        | 5,453,700    |
| Delta Air Lines Pass-Through Trust, Class B:                  |     |              |              |
| Series 2009-1, 9.75%, 6/17/18                                 |     | 828          | 933,604      |
| Series 2010-1, 6.38%, 7/02/17 (d)                             |     | 2,647        | 2,746,262    |
| US Airways Pass-Through Trust:                                |     |              |              |
| Series 2012-1, Class C, 9.13%, 10/01/15                       |     | 1,306        | 1,345,597    |
| Series 2012-2, Class C, 5.45%, 6/03/18                        |     | 5,720        | 5,905,900    |
| Series 2013-1, Class B, 5.38%, 5/15/23                        |     | 5,198        | 5,405,924    |
| Virgin Australia Trust, Series 2013-1 (d):                    |     |              |              |
| Class C, 7.13%, 10/23/18                                      |     | 7,463        | 7,593,937    |
| Class D, 8.50%, 10/23/16                                      |     | 6,784        | 6,953,815    |
|   |     |              | 45,289,752   |
| <b>Auto Components 3.4%</b>                                   |     |              |              |
| Affinia Group, Inc., 7.75%, 5/01/21                           |     | 3,109        | 3,233,360    |
| Autodis SA, 6.50%, 2/01/19                                    | EUR | 265          | 311,696      |
| CNH Industrial Finance Europe SA, 2.75%, 3/18/19              |     | 1,422        | 1,652,529    |
| Dana Holding Corp., 6.75%, 2/15/21                            | USD | 200          | 212,000      |
| General Motors Financial Co., Inc.:                           |     |              |              |
| 3.15%, 1/15/20  |     | 4,235        | 4,280,065    |
| 4.00%, 1/15/25  |     | 5,160        | 5,287,725    |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.:         |     |              |              |
| 3.50%, 3/15/17  |     | 352          | 356,400      |
| 4.88%, 3/15/19  |     | 7,770        | 7,993,776    |
| 6.00%, 8/01/20  |     | 2,973        | 3,181,110    |
| 5.88%, 2/01/22  |     | 2,797        | 2,933,354    |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (d)                       |     | 2,155        | 2,268,138    |
| Rhino Bondco SpA, 7.25%, 11/15/20                             | EUR | 490          | 582,057      |

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|  |     |       |            |
|--|-----|-------|------------|
| Schaeffler Holding Finance BV (g):               |     |       |            |
| (5.75% Cash or 6.50% PIK), 5.75%, 11/15/21       |     | 800   | 969,097    |
| (6.25% Cash or 0.00% PIK), 6.25%, 11/15/19 (d)   | USD | 2,860 | 3,031,600  |
| (6.75% Cash or 0.00% PIK), 6.75%, 11/15/22 (d)   |     | 6,023 | 6,595,185  |
| (6.88% Cash or 7.63% PIK), 6.88%, 8/15/18 (d)    |     | 2,400 | 2,514,000  |
| (6.88% Cash), 6.88%, 8/15/18                     | EUR | 1,660 | 1,955,148  |
| Servus Luxembourg Holding SCA, 7.75%, 6/15/18    |     | 719   | 843,753    |
| Titan International, Inc., 6.88%, 10/01/20       | USD | 1,255 | 1,142,050  |
| UCI International, Inc., 8.63%, 2/15/19          |     | 7,080 | 6,531,300  |
|  |     |       | 55,874,343 |
| <b>Automobiles 0.8%</b>                          |     |       |            |
| General Motors Co.:                              |     |       |            |
| 4.88%, 10/02/23                                  |     | 940   | 1,024,004  |
| 6.25%, 10/02/43                                  |     | 3,705 | 4,597,257  |
| 5.20%, 4/01/45                                   |     | 4,015 | 4,445,131  |
| Jaguar Land Rover Automotive PLC, 5.00%, 2/15/22 | GBP | 1,555 | 2,628,758  |
|  |     |       | 12,695,150 |
| <b>Banks 1.4%</b>                                |     |       |            |
| Banco Bilbao Vizcaya Argentaria SA (e)(h):       |     |       |            |
| 6.75%  | EUR | 400   | 455,001    |
| 7.00%  |     | 1,000 | 1,155,419  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |              |
| <b>Banks (concluded)</b>  |                      |              |
| Banco Espirito Santo SA:  |                      |              |
| 4.75%, 1/15/18  | EUR 1,900            | \$2,216,559  |
| 4.00%, 1/21/19  | 100                  | 115,111      |
| Bankia SA, 4.00%, 5/22/24 (e)   | 400                  | 450,418      |
| CIT Group, Inc.:  |                      |              |
| 5.25%, 3/15/18  | USD 4,320            | 4,561,920    |
| 6.63%, 4/01/18 (d)  | 1,400                | 1,527,750    |
| 5.50%, 2/15/19 (d)  | 6,919                | 7,394,335    |
| 5.00%, 8/01/23  | 560                  | 590,800      |
| 6.00%, 4/01/36  | 2,800                | 2,912,000    |
| HSH Nordbank AG, 0.85%, 2/14/17 (e)   | EUR 665              | 642,775      |
|   |                      | 22,022,088   |
| <b>Beverages 0.1%</b>   |                      |              |
| Hydra Dutch Holdings 2BV, 5.57%, 4/15/19 (e)                                      | 1,053                | 1,089,983    |
| <b>Building Products 1.6%</b>   |                      |              |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (d)              | USD 1,315            | 1,341,300    |
| BMBG Bond Finance SCA, 5.07%, 10/15/20 (e)  | EUR 1,020            | 1,148,466    |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (d)                                    | USD 1,503            | 1,521,788    |
| Building Materials Corp. of America, 6.75%, 5/01/21 (d)                           | 2,490                | 2,676,750    |
| Cemex SAB de CV:  |                      |              |
| 5.88%, 3/25/19 (d)  | 1,335                | 1,382,059    |
| 4.38%, 3/05/23  | EUR 455              | 509,168      |
| 5.70%, 1/11/25 (d)  | USD 2,215            | 2,171,807    |
| CPG Merger Sub LLC, 8.00%, 10/01/21 (d)   | 3,590                | 3,625,900    |
| Momentive Performance Materials, Inc., 3.88%, 10/24/21                            | 3,738                | 3,317,475    |
| Ply Gem Industries, Inc., 6.50%, 2/01/22  | 3,550                | 3,443,500    |
| USG Corp.:  |                      |              |
| 9.75%, 1/15/18  | 3,935                | 4,530,247    |
| 5.50%, 3/01/25 (d)  | 1,234                | 1,261,765    |
|   |                      | 26,930,225   |
| <b>Capital Markets 1.9%</b>   |                      |              |
| American Capital Ltd., 6.50%, 9/15/18 (d)   | 3,840                | 4,008,000    |
| Blackstone CQP Holdco LP, 9.30%, 3/18/19  | 18,193               | 18,010,589   |
| E*Trade Financial Corp.:  |                      |              |
| 0.00%, 8/31/19 (d)(i)(j)  | 1,206                | 3,040,664    |
| 5.38%, 11/15/22   | 2,857                | 3,014,135    |
| Series A, 0.00%, 8/31/19 (i)(j)   | 373                  | 940,437      |
| UBS Group AG (e)(h):  |                      |              |
| 5.75%   | EUR 800              | 933,288      |
| 7.00%   | USD 725              | 756,710      |
|   |                      | 30,703,823   |
| <b>Chemicals 1.4%</b>   |                      |              |
| Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holding BV: |                      |              |
| 5.75%, 2/01/21  | EUR 500              | 593,097      |



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|   |     |       |           |
|---|-----|-------|-----------|
| 7.38%, 5/01/21 (d)  | USD | 1,760 | 1,905,200 |
| Axiall Corp., 4.88%, 5/15/23                                      |     | 629   | 640,008   |
| Basell Finance Co. BV, 8.10%, 3/15/27 (d)                         |     | 2,115 | 2,911,653 |
| Celanese US Holdings LLC:   |     |       |           |
| 5.88%, 6/15/21  |     | 1,848 | 2,009,700 |
| 4.63%, 11/15/22   |     | 1,565 | 1,580,650 |
| Huntsman International LLC:                                       |     |       |           |
| 8.63%, 3/15/21  |     | 945   | 1,017,453 |
| 5.13%, 4/15/21  | EUR | 1,779 | 2,110,238 |
| INEOS Finance PLC, 8.38%, 2/15/19 (d)                             | USD | 100   | 106,650   |
| INEOS Group Holdings SA:  |     |       |           |
| 6.13%, 8/15/18 (d)  |     | 1,015 | 1,030,225 |
| 6.50%, 8/15/18  | EUR | 378   | 439,392   |
| 5.75%, 2/15/19  |     | 400   | 464,742   |
| LSB Industries, Inc., 7.75%, 8/01/19                              | USD | 728   | 758,940   |
| Montichem Holdco SA, 5.25%, 6/15/21                               | EUR | 311   | 345,449   |
| Nexeo Solutions LLC/Nexeo Solutions Finance Corp., 8.38%, 3/01/18 | USD | 510   | 475,575   |

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Chemicals (concluded)</b>  |     |              |            |
| NOVA Chemicals Corp., 5.00%, 5/01/25 (c)                                | USD | 660          | \$697,125  |
| PSPC Escrow Corp.:  |     |              |            |
| 6.50%, 2/01/22 (d)  |     | 5,224        | 5,504,790  |
| 6.00%, 2/01/23  | EUR | 394          | 464,053    |
|   |     |              | 23,054,940 |
| <b>Commercial Services &amp; Supplies 2.8%</b>                          |     |              |            |
| AA Bond Co., Ltd., 9.50%, 7/31/43                                       | GBP | 996          | 1,688,752  |
| Abengoa Greenfield SA, 6.50%, 10/01/19 (d)                              | USD | 3,326        | 3,168,015  |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20                               |     | 1,546        | 1,607,840  |
| ARAMARK Corp., 5.75%, 3/15/20   |     | 3,123        | 3,263,535  |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (d)                        |     | 3,002        | 3,418,155  |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 5.50%, 4/01/23    |     | 720          | 754,200    |
| Bilbao Luxembourg SA, (10.50% Cash or 11.25% PIK), 10.50%, 12/01/18 (g) | EUR | 423          | 486,983    |
| Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (d)       | USD | 1,558        | 1,480,100  |
| Covanta Holding Corp.:  |     |              |            |
| 6.38%, 10/01/22   |     | 2,300        | 2,478,250  |
| 5.88%, 3/01/24  |     | 1,180        | 1,227,200  |
| Jurassic Holdings III, Inc., 6.88%, 2/15/21 (d)                         |     | 2,738        | 2,368,370  |
| Mobile Mini, Inc., 7.88%, 12/01/20                                      |     | 2,040        | 2,157,300  |
| Mustang Merger Corp., 8.50%, 8/15/21 (d)                                |     | 2,688        | 2,741,760  |
| Silk Bidco, 7.50%, 2/01/22  | EUR | 667          | 774,397    |
| United Rentals North America, Inc.:                                     |     |              |            |
| 7.38%, 5/15/20  | USD | 1,890        | 2,050,650  |
| 8.25%, 2/01/21  |     | 2,168        | 2,352,280  |
| 7.63%, 4/15/22  |     | 5,555        | 6,170,549  |
| 6.13%, 6/15/23  |     | 1,055        | 1,131,487  |
| 5.75%, 11/15/24   |     | 3,826        | 4,036,430  |
| Verisure Holding AB:  |     |              |            |

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|   |     |       |            |
|---|-----|-------|------------|
| 8.75%, 9/01/18                                    | EUR | 790   | 942,627    |
| 8.75%, 12/01/18                                   |     | 673   | 802,149    |
|   |     |       | 45,101,029 |
| <b>Communications Equipment 2.6%</b>              |     |       |            |
| Alcatel-Lucent USA, Inc.:                         |     |       |            |
| 4.63%, 7/01/17 (d)                                | USD | 1,735 | 1,791,387  |
| 6.75%, 11/15/20 (d)                               |     | 3,755 | 4,017,850  |
| 6.45%, 3/15/29                                    |     | 8,343 | 8,353,429  |
| Avaya, Inc. (d):                                  |     |       |            |
| 7.00%, 4/01/19                                    |     | 3,620 | 3,656,200  |
| 10.50%, 3/01/21                                   |     | 1,355 | 1,182,238  |
| CommScope, Inc. (d):                              |     |       |            |
| 5.00%, 6/15/21                                    |     | 1,475 | 1,493,437  |
| 5.50%, 6/15/24                                    |     | 1,413 | 1,430,663  |
| Nokia OYJ:  |     |       |            |
| 5.00%, 10/26/17 (j)                               | EUR | 800   | 2,648,299  |
| 6.63%, 5/15/39                                    | USD | 1,961 | 2,274,760  |
| Zayo Group LLC/Zayo Capital, Inc.:                |     |       |            |
| 8.13%, 1/01/20                                    |     | 5,153 | 5,462,180  |
| 10.13%, 7/01/20                                   |     | 6,167 | 6,968,710  |
| 6.00%, 4/01/23 (c)                                |     | 2,600 | 2,658,500  |
|   |     |       | 41,937,653 |
| <b>Construction &amp; Engineering 1.0%</b>        |     |       |            |
| AECOM Technology Corp. (d):                       |     |       |            |
| 5.75%, 10/15/22                                   |     | 1,016 | 1,064,260  |
| 5.88%, 10/15/24                                   |     | 2,662 | 2,828,375  |
| Aldesa Financial Services SA, 7.25%, 4/01/21      | EUR | 960   | 913,145    |
| Astaldi SpA, 7.13%, 12/01/20                      |     | 2,273 | 2,734,371  |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (d) | USD | 1,952 | 2,025,200  |
| H&E Equipment Services, Inc., 7.00%, 9/01/22      |     | 2,462 | 2,529,705  |
| Novafives SAS:                                    |     |       |            |
| 4.07%, 6/30/20 (e)                                | EUR | 455   | 500,156    |
| 4.50%, 6/30/21                                    |     | 320   | 356,327    |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Construction &amp; Engineering (concluded)</b>                   |     |              |              |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (d)   | USD | 2,852        | \$ 2,880,520 |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23             |     | 862          | 817,822      |
|   |     |              | 16,649,881   |
| <b>Construction Materials 2.6%</b>                                  |     |              |              |
| American Tire Distributors, Inc., 10.25%, 3/01/22 (d)               |     | 4,805        | 5,009,213    |
| HD Supply, Inc.:  |     |              |              |
| 11.00%, 4/15/20   |     | 9,123        | 10,445,835   |
| 7.50%, 7/15/20  |     | 14,575       | 15,595,250   |
| 5.25%, 12/15/21 (d)   |     | 9,862        | 10,244,152   |
| Kerneos Tech Group SAS:   |     |              |              |
| 4.83%, 3/01/21 (e)  | EUR | 194          | 217,344      |
| 5.75%, 3/01/21  |     | 262          | 309,727      |
| Officine MaccaFerri SpA, 5.75%, 6/01/21                             |     | 780          | 855,402      |
| Rexel SA, 6.13%, 12/15/19 (d)                                       | USD | 203          | 213,150      |
|   |     |              | 42,890,073   |
| <b>Consumer Finance 1.9%</b>  |     |              |              |
| Ally Financial, Inc.:   |     |              |              |
| 5.13%, 9/30/24  |     | 1,711        | 1,807,244    |
| 8.00%, 11/01/31   |     | 20,336       | 26,265,285   |
| Ford Motor Credit Co. LLC, 12.00%, 5/15/15                          |     | 1,120        | 1,145,086    |
| IVS F. SpA, 7.13%, 4/01/20  | EUR | 1,029        | 1,211,956    |
|   |     |              | 30,429,571   |
| <b>Containers &amp; Packaging 1.4%</b>                              |     |              |              |
| Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc.:             |     |              |              |
| 6.25%, 1/31/19 (d)  | USD | 1,504        | 1,507,760    |
| 6.00%, 6/30/21 (d)  |     | 1,825        | 1,777,094    |
| 4.25%, 1/15/22  | EUR | 1,855        | 2,106,976    |
| Ball Corp., 4.00%, 11/15/23   | USD | 564          | 554,130      |
| Beverage Packaging Holdings Luxembourg II SA (d):                   |     |              |              |
| 5.63%, 12/15/16   |     | 2,113        | 2,128,847    |
| 6.00%, 6/15/17  |     | 2,137        | 2,158,370    |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 |     | 93           | 98,580       |
| Crown European Holdings SA, 4.00%, 7/15/22                          | EUR | 1,325        | 1,616,188    |
| OI European Group BV, 4.88%, 3/31/21                                |     | 822          | 1,037,325    |
| Pactiv LLC:   |     |              |              |
| 7.95%, 12/15/25   | USD | 4,267        | 4,331,005    |
| 8.38%, 4/15/27  |     | 736          | 758,080      |
| Sealed Air Corp. (d):   |     |              |              |
| 8.38%, 9/15/21  |     | 150          | 169,687      |
| 5.13%, 12/01/24   |     | 1,395        | 1,457,775    |
| SGD Group SAS, 5.63%, 5/15/19                                       | EUR | 405          | 461,147      |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (d)                                | USD | 1,907        | 2,069,095    |
|   |     |              | 22,232,059   |
| <b>Distributors 0.3%</b>  |     |              |              |
| VWR Funding, Inc., 7.25%, 9/15/17                                   |     | 4,254        | 4,456,065    |

|   |           |           |
|---|-----------|-----------|
| <b>Diversified Consumer Services 0.2%</b>   |           |           |
| Laureate Education, Inc., 10.00%, 9/01/19 (d)                                     | 3,065     | 2,927,075 |
| <b>Diversified Financial Services 2.4%</b>  |           |           |
| AerCap Ireland Capital, Ltd./AerCap Global Aviation Trust, 5.00%,<br>10/01/21 (d) | 1,600     | 1,738,000 |
| Aircastle, Ltd.:  |           |           |
| 7.63%, 4/15/20  | 128       | 149,120   |
| 5.13%, 3/15/21  | 586       | 621,160   |
| DFC Finance Corp., 10.50%, 6/15/20 (d)  | 2,745     | 2,264,625 |
| Gala Group Finance PLC, 8.88%, 9/01/18  | GBP 2,437 | 3,950,807 |
| HSH Nordbank AG, 0.89%, 2/14/17 (e)   | EUR 313   | 302,189   |
| International Lease Finance Corp., 5.88%, 8/15/22                                 | USD 1,805 | 2,062,393 |
| Jarden Corp., 1.88%, 9/15/18 (j)  | 100       | 171,813   |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>  |              |              |
| <b>Diversified Financial Services (concluded)</b>                                 |              |              |
| Jefferies Finance LLC/JFIN Co-Issuer Corp. (d):                                   |              |              |
| 7.38%, 4/01/20  | USD 3,410    | \$ 3,375,900 |
| 6.88%, 4/15/22  | 2,987        | 2,882,455    |
| Lehman Brother Holding Escrow, 1.00%, 9/22/18 (a)(k)                              | 430          | 63,425       |
| Lehman Brothers Holdings, Inc.(a)(k):   |              |              |
| 4.75%, 1/16/2015  | EUR 1,890    | 391,276      |
| 1.00%, 2/05/2015  | 3,950        | 779,069      |
| 5.38%, 10/17/2014   | 350          | 72,458       |
| 1.00%, 12/31/49   | USD 1,535    | 226,412      |
| Leucadia National Corp., 8.13%, 9/15/15   | 4,503        | 4,657,926    |
| MSCI, Inc., 5.25%, 11/15/24 (d)   | 1,209        | 1,260,383    |
| Onex Wizard Acquisition Co. II SCA, 7.75%, 2/15/23                                | EUR 463      | 544,026      |
| Reynolds Group Issuer, Inc.:  |              |              |
| 7.13%, 4/15/19  | USD 297      | 308,323      |
| 9.00%, 4/15/19  | 3,405        | 3,566,737    |
| 7.88%, 8/15/19  | 728          | 772,408      |
| 9.88%, 8/15/19  | 3,015        | 3,229,819    |
| 5.75%, 10/15/20   | 4,884        | 5,073,255    |
|   |              | 38,463,979   |
| <b>Diversified Telecommunication Services 3.4%</b>                                |              |              |
| CenturyLink, Inc.:  |              |              |
| 6.45%, 6/15/21  | 1,125        | 1,234,688    |
| Series V, 5.63%, 4/01/20  | 5,420        | 5,799,400    |
| Cequel Communications Holdings I LLC/Cequel Capital Corp., 5.13%,<br>12/15/21 (d) | 2,350        | 2,347,062    |
| Frontier Communications Corp.:  |              |              |
| 8.50%, 4/15/20  | 2,275        | 2,570,750    |
| 6.25%, 9/15/21  | 2,750        | 2,825,625    |
| 7.13%, 1/15/23  | 1,615        | 1,685,656    |
| 7.63%, 4/15/24  | 735          | 786,450      |
| 6.88%, 1/15/25  | 1,425        | 1,428,562    |
| Level 3 Communications, Inc., 8.88%, 6/01/19                                      | 1,780        | 1,884,575    |
| Level 3 Financing, Inc.:  |              |              |

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|   |     |       |            |
|---|-----|-------|------------|
| 8.13%, 7/01/19                                |     | 5,885 | 6,230,744  |
| 7.00%, 6/01/20                                |     | 2,395 | 2,575,128  |
| 8.63%, 7/15/20                                |     | 6,175 | 6,730,750  |
| 5.63%, 2/01/23 (d)                            |     | 2,917 | 3,004,510  |
| Series TIT, 6.00%, 7/24/17 (j)                | EUR | 900   | 1,187,122  |
| Telecom Italia Capital SA:                    |     |       |            |
| 6.38%, 11/15/33                               | USD | 745   | 795,288    |
| 6.00%, 9/30/34                                |     | 740   | 765,900    |
| Telecom Italia Finance SA, 7.75%, 1/24/33     | EUR | 380   | 644,281    |
| Telecom Italia SpA:                           |     |       |            |
| 6.13%, 11/15/16 (j)                           |     | 500   | 768,732    |
| 6.38%, 6/24/19                                | GBP | 900   | 1,540,050  |
| 4.88%, 9/25/20                                | EUR | 870   | 1,118,814  |
| 4.50%, 1/25/21                                |     | 1,350 | 1,712,537  |
| 3.25%, 1/16/23                                |     | 500   | 589,845    |
| 5.88%, 5/19/23                                | GBP | 1,900 | 3,235,741  |
| Telenet Finance V Luxembourg SCA:             |     |       |            |
| 6.25%, 8/15/22                                |     | 1,362 | 1,667,721  |
| 6.75%, 8/15/24                                |     | 1,982 | 2,500,747  |
|   |     |       | 55,630,678 |
| <b>Electric Utilities 0.4%</b>                |     |       |            |
| Homer City Generation LP (g):                 |     |       |            |
| (8.14% Cash), 8.14%, 10/01/19                 | USD | 806   | 816,131    |
| (8.73% Cash), 8.73%, 10/01/26                 |     | 2,128 | 2,170,538  |
| Mirant Mid Atlantic Pass-Through Trust:       |     |       |            |
| Series B, 9.13%, 6/30/17                      |     | 989   | 1,028,338  |
| Series C, 10.06%, 12/30/28                    |     | 2,237 | 2,449,493  |
| Viridian Group FundCo II Ltd., 7.50%, 3/01/20 | EUR | 730   | 833,147    |
|   |     |       | 7,297,647  |

See Notes to Financial Statements.

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

## Consolidated Schedule of Investments (continued)

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Corporate Bonds</b>   |                      |              |
| <b>Electrical Equipment 0.4%</b>                               |                      |              |
| Belden, Inc., 5.50%, 4/15/23                                   | EUR 1,602            | \$1,924,752  |
| International Wire Group Holdings, Inc., 8.50%, 10/15/17 (d)   | USD 1,421            | 1,484,945    |
| Techem Energy Metering Service GmbH & Co., 7.88%, 10/01/20     | EUR 210              | 260,381      |
| Trionista Holdco GmbH, 5.00%, 4/30/20                          | 1,405                | 1,646,382    |
| Trionista TopCo GmbH, 6.88%, 4/30/21                           | 418                  | 502,377      |
|  |                      | 5,818,837    |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b> |                      |              |
| CDW LLC/CDW Finance Corp., 8.50%, 4/01/19                      | USD 50               | 52,410       |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            | 1,310                | 1,513,050    |
|  |                      | 1,565,460    |
| <b>Energy Equipment &amp; Services 1.4%</b>                    |                      |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                          | 780                  | 748,800      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (d)                       | 3,978                | 3,570,255    |
| Gates Global LLC/Gates Global Co., 5.75%, 7/15/22              | EUR 110              | 112,618      |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 | USD 283              | 277,340      |
| MEG Energy Corp. (d):  |                      |              |
| 6.50%, 3/15/21   | 3,791                | 3,667,792    |
| 6.38%, 1/30/23   | 575                  | 546,250      |
| 7.00%, 3/31/24   | 7,269                | 7,078,189    |
| Peabody Energy Corp., 7.88%, 11/01/26                          | 2,795                | 2,236,000    |
| Pioneer Energy Services Corp., 6.13%, 3/15/22                  | 163                  | 125,102      |
| Precision Drilling Corp.:                                      |                      |              |
| 6.63%, 11/15/20  | 425                  | 412,250      |
| 5.25%, 11/15/24 (d)  | 4,147                | 3,524,950    |
|  |                      | 22,299,546   |
| <b>Food &amp; Staples Retailing 1.3%</b>                       |                      |              |
| Bakkavor Finance 2 PLC:  |                      |              |
| 8.25%, 2/15/18   | GBP 1,427            | 2,297,058    |
| 8.75%, 6/15/20   | 795                  | 1,334,755    |
| Brakes Capital, 7.13%, 12/15/18                                | 830                  | 1,322,401    |
| Family Tree Escrow LLC (d):                                    |                      |              |
| 5.25%, 3/01/20   | USD 817              | 853,765      |
| 5.75%, 3/01/23   | 8,549                | 8,997,822    |
| R&R Ice Cream PLC:   |                      |              |
| 4.75%, 5/15/20   | EUR 745              | 857,661      |
| 5.50%, 5/15/20   | GBP 200              | 314,810      |
| (9.25% Cash or 10.00% PIK), 9.25%, 5/15/18 (g)                 | EUR 823              | 934,299      |
| Rite Aid Corp.:  |                      |              |
| 9.25%, 3/15/20   | USD 2,080            | 2,303,600    |
| 6.75%, 6/15/21   | 2,360                | 2,507,500    |
|  |                      | 21,723,671   |
| <b>Food Products 0.5%</b>                                      |                      |              |
| Anna Merger Sub, Inc., 7.75%, 10/01/22 (d)                     | 2,155                | 2,219,650    |
| Boparan Finance PLC:   |                      |              |
| 4.38%, 7/15/21   | EUR 249              | 258,163      |

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|  |     |       |           |
|--|-----|-------|-----------|
| 5.50%, 7/15/21                           | GBP | 522   | 729,331   |
| Findus Bondco SA, 9.13%, 7/01/18         | EUR | 830   | 989,184   |
| Smithfield Foods, Inc.:                  |     |       |           |
| 5.88%, 8/01/21 (d)                       | USD | 891   | 938,891   |
| 6.63%, 8/15/22                           |     | 1,516 | 1,648,650 |
| The WhiteWave Foods Co., 5.38%, 10/01/22 |     | 950   | 1,020,063 |
|  |     |       | 7,803,932 |

**Health Care Equipment & Supplies 0.7%**

|   |     |       |           |
|---|-----|-------|-----------|
| 3AB Optique Development SAS, 5.63%, 4/15/19                 | EUR | 900   | 976,931   |
| Biomet, Inc., 6.50%, 10/01/20                               | USD | 2,801 | 2,965,559 |
| DJO Finance LLC/DJO Finance Corp., 8.75%, 3/15/18           |     | 2,106 | 2,195,505 |
| Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (d) |     | 1,580 | 1,749,850 |

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>                                  |     |              |            |
| <b>Health Care Equipment &amp; Supplies (concluded)</b> |     |              |            |
| IDH Finance PLC:  |     |              |            |
| 6.00%, 12/01/18 (d)                                     | GBP | 200          | \$314,945  |
| 6.00%, 12/01/18   |     | 614          | 966,883    |
| Teleflex, Inc., 6.88%, 6/01/19                          | USD | 1,635        | 1,704,487  |
|   |     |              | 10,874,160 |
| <b>Health Care Providers &amp; Services 6.1%</b>        |     |              |            |
| Acadia Healthcare Co., Inc.:                            |     |              |            |
| 5.13%, 7/01/22  |     | 1,145        | 1,150,725  |
| 5.63%, 2/15/23 (d)                                      |     | 468          | 483,210    |
| Alere, Inc.:  |     |              |            |
| 7.25%, 7/01/18  |     | 2,449        | 2,629,614  |
| 8.63%, 10/01/18   |     | 2,834        | 2,954,445  |
| Amsurg Corp., 5.63%, 7/15/22                            |     | 5,428        | 5,753,680  |
| Care UK Health & Social Care PLC, 5.56%, 7/15/19 (e)    | GBP | 1,253        | 1,818,378  |
| Centene Corp., 4.75%, 5/15/22                           | USD | 1,227        | 1,266,878  |
| CHS/Community Health Systems, Inc.:                     |     |              |            |
| 5.13%, 8/15/18  |     | 2,125        | 2,199,375  |
| 6.88%, 2/01/22  |     | 3,948        | 4,221,892  |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (d)           | EUR | 1,907        | 2,211,387  |
| DaVita HealthCare Partners, Inc., 5.13%, 7/15/24        | USD | 5,166        | 5,359,725  |
| HCA Holdings, Inc., 7.75%, 5/15/21                      |     | 6,486        | 6,940,020  |
| HCA, Inc.:  |     |              |            |
| 3.75%, 3/15/19  |     | 2,911        | 2,972,859  |
| 6.50%, 2/15/20  |     | 6,125        | 6,967,187  |
| 5.88%, 3/15/22  |     | 3,565        | 4,007,060  |
| 4.75%, 5/01/23  |     | 1,487        | 1,568,636  |
| 5.88%, 5/01/23  |     | 4,096        | 4,485,120  |
| 5.00%, 3/15/24  |     | 1,955        | 2,111,400  |
| 5.38%, 2/01/25  |     | 5,524        | 5,855,440  |
| HealthSouth Corp., 5.75%, 11/01/24                      |     | 2,442        | 2,551,890  |
| Hologic, Inc., 6.25%, 8/01/20                           |     | 6,719        | 7,038,152  |
| Kindred Healthcare, Inc., 6.38%, 4/15/22                |     | 931          | 931,000    |
| MPH Acquisition Holdings LLC, 6.63%, 4/01/22 (d)        |     | 1,280        | 1,360,000  |
| Omnicare, Inc.:   |     |              |            |

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|   |     |       |            |
|---|-----|-------|------------|
| 4.75%, 12/01/22   |     | 793   | 827,694    |
| 5.00%, 12/01/24   |     | 631   | 664,128    |
| <b>Tenet Healthcare Corp.:</b>  |     |       |            |
| 6.25%, 11/01/18   |     | 1,308 | 1,427,355  |
| 5.00%, 3/01/19 (d)  |     | 2,863 | 2,877,315  |
| 4.75%, 6/01/20  |     | 1,805 | 1,859,150  |
| 6.00%, 10/01/20   |     | 3,835 | 4,170,563  |
| 4.50%, 4/01/21  |     | 74    | 74,370     |
| 4.38%, 10/01/21   |     | 4,005 | 4,010,006  |
| 8.13%, 4/01/22  |     | 5,078 | 5,750,835  |
| Voyage Care Bondco PLC, 6.50%, 8/01/18  | GBP | 786   | 1,249,871  |
|   |     |       | 99,749,360 |
| <b>Health Care Technology 0.1%</b>  |     |       |            |
| IMS Health, Inc., 6.00%, 11/01/20 (d)   | USD | 795   | 830,775    |
| <b>Hotels, Restaurants &amp; Leisure 3.4%</b>                                   |     |       |            |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment               |     |       |            |
| Resort Property, 8.00%, 10/01/20 (d)  |     | 4,330 | 4,362,475  |
| Carlson Travel Holdings, Inc., (7.50% Cash or 8.25% PIK), 7.50%, 8/15/19 (d)(g) |     | 654   | 662,175    |
| CDW LLC/CDW Finance Corp.:  |     |       |            |
| 6.00%, 8/15/22  |     | 3,095 | 3,303,912  |
| 5.00%, 9/01/23  |     | 925   | 929,625    |
| 5.50%, 12/01/24   |     | 4,652 | 4,838,080  |
| Cedar Funding Ltd., 5.38%, 6/01/24 (d)  |     | 1,070 | 1,091,400  |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                                     | EUR | 2,695 | 3,106,315  |
| Cleopatra Finance, Ltd.:  |     |       |            |
| 4.13%, 2/15/20  |     | 700   | 803,898    |
| 6.25%, 2/15/22 (d)  | USD | 400   | 400,500    |
| 4.75%, 2/15/23  | EUR | 825   | 959,222    |
| 6.50%, 2/15/25 (d)  | USD | 200   | 199,250    |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Corporate Bonds</b>   |                      |              |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>   |                      |              |
| Enterprise Funding Ltd., Series ETI, 3.50%, 9/10/20 (j)  | GBP 400              | \$534,172    |
| Enterprise Inns PLC, 6.50%, 12/06/18   | 1,598                | 2,628,667    |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19  | EUR 2,164            | 2,567,648    |
| Greektown Holdings LLC/Greektown Mothership Corp., 8.88%, 3/15/19 (d)                          | USD 1,220            | 1,302,350    |
| Intralot Capital Luxembourg SA, 6.00%, 5/15/21   | EUR 613              | 644,819      |
| Intralot Finance Luxembourg SA, 9.75%, 8/15/18   | 2,140                | 2,556,654    |
| MGM Resorts International, 6.00%, 3/15/23  | USD 3,560            | 3,702,400    |
| New Red Finance, Inc., 6.00%, 4/01/22 (d)  | 3,735                | 3,884,400    |
| Regal Entertainment Group, 5.75%, 2/01/25  | 489                  | 489,000      |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (d)  | 3,247                | 3,323,954    |
| Snai SpA, 7.63%, 6/15/18   | EUR 1,025            | 1,184,305    |
| Station Casinos LLC, 7.50%, 3/01/21  | USD 5,095            | 5,477,125    |
| Tropicana Entertainment LLC/Tropicana Finance Corp., 9.63%, 12/15/2014<br>(a)(k)               | 1,850                |              |
| The Unique Pub Finance Co. PLC, Series A3, 6.54%, 3/30/21                                      | GBP 2,076            | 3,300,422    |
| Vougeot Bidco PLC, 7.88%, 7/15/20  | 920                  | 1,530,419    |
| Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 5.38%, 3/15/22                                | USD 689              | 723,881      |
|  |                      | 54,507,068   |
| <b>Household Durables 2.9%</b>   |                      |              |
| Ashton Woods USA LLC/Ashton Woods Finance Co., 6.88%, 2/15/21 (d)                              | 1,262                | 1,126,335    |
| Beazer Homes USA, Inc.:  |                      |              |
| 6.63%, 4/15/18   | 215                  | 223,600      |
| 5.75%, 6/15/19   | 3,638                | 3,510,670    |
| 7.50%, 9/15/21   | 2,710                | 2,649,025    |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp.,<br>6.13%, 7/01/22 (d) | 1,604                | 1,660,140    |
| DR Horton, Inc., 4.00%, 2/15/20  | 2,408                | 2,432,080    |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (d)  | 4,360                | 4,545,300    |
| Lennar Corp., 4.50%, 11/15/19  | 2,482                | 2,537,845    |
| Project Homestake Merger Co., 8.88%, 3/01/23 (d)(f)  | 3,574                | 3,654,415    |
| PulteGroup, Inc., 6.38%, 5/15/33   | 2,050                | 2,111,500    |
| The Ryland Group, Inc., 6.63%, 5/01/20   | 1,900                | 2,023,500    |
| Standard Pacific Corp.:  |                      |              |
| 10.75%, 9/15/16  | 3,420                | 3,830,400    |
| 8.38%, 1/15/21   | 4,270                | 4,931,850    |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc. (d):                               |                      |              |
| 7.75%, 4/15/20   | 1,650                | 1,749,000    |
| 5.25%, 4/15/21   | 744                  | 729,120      |
| Tri Pointe Holdings, Inc. (d):   |                      |              |
| 4.38%, 6/15/19   | 2,270                | 2,244,463    |
| 5.88%, 6/15/24   | 1,540                | 1,541,925    |
| William Lyon Homes, Inc., 8.50%, 11/15/20  | 4,579                | 4,945,320    |
|  |                      | 46,446,488   |
| <b>Household Products 0.3%</b>   |                      |              |
| Spectrum Brands, Inc.:   |                      |              |

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|                     |       |           |
|---------------------|-------|-----------|
| 6.75%, 3/15/20      | 535   | 563,088   |
| 6.38%, 11/15/20     | 2,125 | 2,289,687 |
| 6.63%, 11/15/22     | 1,385 | 1,516,575 |
| 6.13%, 12/15/24 (d) | 963   | 1,035,225 |
|                     |       | 5,404,575 |

**Independent Power and Renewable Electricity Producers 2.0%**

|   |       |           |
|---|-------|-----------|
| Baytex Energy Corp., 5.13%, 6/01/21 (d) | 944   | 899,160   |
| Calpine Corp.:                          |       |           |
| 6.00%, 1/15/22 (d)                      | 676   | 737,178   |
| 5.38%, 1/15/23                          | 4,144 | 4,206,160 |
| 5.88%, 1/15/24 (d)                      | 1,999 | 2,168,915 |
| 5.50%, 2/01/24                          | 3,923 | 3,967,134 |

| <b>Corporate Bonds</b>   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Independent Power and Renewable Electricity Producers (concluded)</b> |     |                      |              |
| Calpine Corp. (concluded):   |     |                      |              |
| 5.75%, 1/15/25   | USD | 4,814                | \$ 4,910,280 |
| Dynegy Finance I, Inc./Dynegy Finance II, Inc. (d):                      |     |                      |              |
| 6.75%, 11/01/19  |     | 5,900                | 6,172,875    |
| 7.38%, 11/01/22  |     | 1,520                | 1,609,300    |
| MPM Escrow LLC, 8.88%, 10/15/20 (a)(k)                                   |     | 3,738                |              |
| NRG Energy, Inc.:  |     |                      |              |
| 7.88%, 5/15/21   |     | 1,190                | 1,293,530    |
| 6.25%, 5/01/24   |     | 1,800                | 1,836,000    |
| NRG REMA LLC:  |     |                      |              |
| Series B, 9.24%, 7/02/17   |     | 117                  | 123,925      |
| Series C, 9.68%, 7/02/26   |     | 1,400                | 1,519,000    |
| QEP Resources, Inc.:   |     |                      |              |
| 5.38%, 10/01/22  |     | 1,843                | 1,819,963    |
| 5.25%, 5/01/23   |     | 800                  | 783,000      |
|  |     |                      | 32,046,420   |

**Insurance 1.2%**

|  |     |       |            |
|--|-----|-------|------------|
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (d) |     | 6,232 | 6,418,960  |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (d)                         |     | 1,244 | 1,318,640  |
| Genworth Holdings, Inc., 4.80%, 2/15/24                                |     | 1,120 | 983,861    |
| Hockey Merger Sub 2, Inc., 7.88%, 10/01/21 (d)                         |     | 3,920 | 4,027,800  |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (d)                      |     | 3,650 | 3,914,625  |
| Pension Insurance Corp. PLC, 6.50%, 7/03/24                            | GBP | 775   | 1,245,301  |
| TMF Group Holding BV, 9.88%, 12/01/19                                  | EUR | 1,140 | 1,345,881  |
|  |     |       | 19,255,068 |

**Internet Software & Services 0.6%**

|  |     |       |           |
|--|-----|-------|-----------|
| Cerved Group SpA:                          |     |       |           |
| 6.38%, 1/15/20                             |     | 601   | 719,628   |
| 8.00%, 1/15/21                             |     | 400   | 490,627   |
| Equinix, Inc.:                             |     |       |           |
| 5.38%, 1/01/22                             | USD | 1,110 | 1,157,175 |
| 5.75%, 1/01/25                             |     | 1,172 | 1,230,600 |
| Interactive Data Corp., 5.88%, 4/15/19 (d) |     | 4,101 | 4,106,126 |
| Netflix, Inc. (d):                         |     |       |           |

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|   |     |       |            |
|---|-----|-------|------------|
| 5.50%, 2/15/22                                    |     | 1,577 | 1,627,149  |
| 5.88%, 2/15/25                                    |     | 960   | 992,400    |
|   |     |       | 10,323,705 |
| <b>IT Services 2.8%</b>                           |     |       |            |
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (d)   |     | 6,584 | 6,847,360  |
| Epicor Software Corp., 8.63%, 5/01/19             |     | 3,077 | 3,230,850  |
| First Data Corp.:                                 |     |       |            |
| 7.38%, 6/15/19 (d)                                |     | 5,373 | 5,641,650  |
| 6.75%, 11/01/20 (d)                               |     | 6,560 | 7,035,600  |
| 8.25%, 1/15/21 (d)                                |     | 1,394 | 1,495,065  |
| 10.63%, 6/15/21                                   |     | 2,111 | 2,427,650  |
| 11.75%, 8/15/21                                   |     | 5,966 | 6,950,390  |
| (8.75% Cash or 10.00% PIK), 8.75%, 1/15/22 (d)(g) |     | 365   | 394,200    |
| Open Text Corp., 5.63%, 1/15/23 (d)               |     | 5,431 | 5,593,930  |
| SunGard Data Systems, Inc., 6.63%, 11/01/19       |     | 2,227 | 2,316,080  |
| WEX, Inc., 4.75%, 2/01/23 (d)                     |     | 2,728 | 2,721,180  |
|   |     |       | 44,653,955 |
| <b>Machinery 0.1%</b>                             |     |       |            |
| Selecta Group BV, 6.50%, 6/15/20                  | EUR | 1,060 | 1,181,567  |
| SPX Corp., 6.88%, 9/01/17                         | USD | 980   | 1,068,200  |
|   |     |       | 2,249,767  |
| <b>Media 13.6%</b>                                |     |       |            |
| Adria Bidco BV, 7.88%, 11/15/20                   | EUR | 600   | 725,145    |
| Altice Financing SA:                              |     |       |            |
| 6.50%, 1/15/22 (d)                                | USD | 2,410 | 2,494,350  |
| 5.25%, 2/15/23                                    | EUR | 585   | 699,651    |
| 6.63%, 2/15/23 (d)                                | USD | 2,985 | 3,108,131  |
| Altice Finco SA, 7.63%, 2/15/25 (d)               |     | 828   | 859,472    |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

| <b>Corporate Bonds<br/>Media (continued)</b>                                    | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| Altice SA:  |                      |              |
| 7.25%, 5/15/22  | EUR 2,597            | \$ 3,083,857 |
| 7.75%, 5/15/22 (d)  | USD 3,350            | 3,458,875    |
| 6.25%, 2/15/25  | EUR 1,955            | 2,231,717    |
| 7.63%, 2/15/25 (d)  | USD 2,576            | 2,659,720    |
| AMC Networks, Inc.:   |                      |              |
| 7.75%, 7/15/21  | 480                  | 526,800      |
| 4.75%, 12/15/22   | 1,613                | 1,621,065    |
| Cablevision Systems Corp., 5.88%, 9/15/22                                       | 3,070                | 3,177,450    |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.13%, 2/15/23                     | 1,375                | 1,385,313    |
| CCOH Safari LLC:  |                      |              |
| 5.50%, 12/01/22   | 5,024                | 5,193,560    |
| 5.75%, 12/01/24   | 10,316               | 10,677,060   |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)(d)(k)                  | 3,439                |              |
| Clear Channel Worldwide Holdings, Inc.:   |                      |              |
| 7.63%, 3/15/20  | 4,069                | 4,302,967    |
| 6.50%, 11/15/22   | 11,724               | 12,347,467   |
| Clearwire Communications LLC/Clearwire Finance, Inc., 8.25%, 12/01/40<br>(d)(j) | 4,132                | 4,503,880    |
| Columbus International, Inc., 7.38%, 3/30/21 (d)                                | 3,455                | 3,627,750    |
| Consolidated Communications, Inc., 6.50%, 10/01/22 (d)                          | 1,250                | 1,250,000    |
| DISH DBS Corp.:   |                      |              |
| 4.25%, 4/01/18  | 3,209                | 3,225,045    |
| 5.13%, 5/01/20  | 4,652                | 4,692,705    |
| 5.00%, 3/15/23  | 370                  | 356,125      |
| 5.88%, 11/15/24   | 6,239                | 6,207,805    |
| DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (d)                              | 901                  | 869,465      |
| Gannett Co., Inc.:  |                      |              |
| 5.13%, 10/15/19   | 857                  | 897,708      |
| 5.13%, 7/15/20  | 506                  | 527,505      |
| 4.88%, 9/15/21 (d)  | 1,827                | 1,870,391    |
| 6.38%, 10/15/23   | 1,314                | 1,425,690    |
| 5.50%, 9/15/24 (d)  | 1,308                | 1,360,320    |
| Gray Television, Inc., 7.50%, 10/01/20  | 1,743                | 1,812,720    |
| Harron Communications LP/Harron Finance Corp., 9.13%, 4/01/20 (d)               | 4,510                | 4,938,450    |
| iHeartCommunications, Inc.:   |                      |              |
| 9.00%, 12/15/19   | 3,789                | 3,741,637    |
| 9.00%, 3/01/21  | 1,127                | 1,087,555    |
| 9.00%, 9/15/22  | 3,845                | 3,700,812    |
| Inmarsat Finance PLC, 4.88%, 5/15/22 (d)  | 2,805                | 2,854,649    |
| Intelsat Jackson Holdings SA:   |                      |              |
| 6.63%, 12/15/22   | 1,040                | 1,016,600    |
| 5.50%, 8/01/23  | 5,400                | 5,109,750    |
| Intelsat Luxembourg SA:   |                      |              |
| 6.75%, 6/01/18  | 3,520                | 3,458,400    |

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|   |           |           |
|---|-----------|-----------|
| 7.75%, 6/01/21  | 1,730     | 1,602,413 |
| LIN Television Corp., 6.38%, 1/15/21  | 1,570     | 1,621,025 |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (d)                                     | 987       | 1,058,558 |
| Media General Financing Sub, Inc., 5.88%, 11/15/22 (d)                                  | 1,292     | 1,321,070 |
| Midcontinent Communications & Midcontinent Finance Corp., 6.25%, 8/01/21 (d)            | 3,901     | 3,959,515 |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (d) | 2,039     | 2,107,816 |
| Nexstar Broadcasting, Inc., 6.88%, 11/15/20   | 1,023     | 1,084,380 |
| Nielsen Finance LLC/Nielsen Finance Co., 5.00%, 4/15/22 (d)                             | 3,707     | 3,790,407 |
| Numericable Group SA:   |           |           |
| 5.38%, 5/15/22  | EUR 890   | 1,053,969 |
| 6.00%, 5/15/22 (d)  | USD 7,205 | 7,331,087 |
| 5.63%, 5/15/24  | EUR 1,785 | 2,117,355 |
| 6.25%, 5/15/24 (d)  | USD 4,285 | 4,398,552 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Media (concluded)</b>  |              |            |
| Outfront Media Capital LLC/Outfront Media Capital Corp.:                            |              |            |
| 5.25%, 2/15/22  | USD 650      | \$680,875  |
| 5.63%, 2/15/24  | 568          | 605,630    |
| Play Finance 2 SA, 5.25%, 2/01/19   | EUR 1,070    | 1,248,272  |
| Radio One, Inc., 9.25%, 2/15/20 (d)   | USD 2,686    | 2,565,130  |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (d)                      | 2,020        | 2,141,200  |
| Sinclair Television Group, Inc., 5.63%, 8/01/24 (d)                                 | 894          | 905,175    |
| Sirius XM Radio, Inc. (d):  |              |            |
| 4.25%, 5/15/20  | 1,519        | 1,511,405  |
| 5.75%, 8/01/21  | 1,811        | 1,901,550  |
| Sterling Entertainment Corp., 9.75%, 12/15/19                                       | 4,810        | 4,906,200  |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:                                |              |            |
| 5.50%, 1/15/23 (d)  | 2,550        | 2,690,250  |
| 5.63%, 4/15/23  | EUR 208      | 256,330    |
| 4.00%, 1/15/25  | 1,611        | 1,916,672  |
| Unitymedia KabelBW GmbH, 9.50%, 3/15/21   | 2,061        | 2,571,594  |
| Univision Communications, Inc. (d):   |              |            |
| 8.50%, 5/15/21  | USD 1,597    | 1,714,779  |
| 5.13%, 5/15/23  | 10,242       | 10,600,470 |
| 5.13%, 2/15/25  | 7,844        | 7,942,050  |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (d)  | EUR 4,437    | 5,201,074  |
| Virgin Media Finance PLC, 5.75%, 1/15/25 (d)  | USD 2,405    | 2,552,306  |
| Virgin Media Secured Finance PLC:   |              |            |
| 6.00%, 4/15/21  | GBP 5,502    | 9,047,074  |
| 6.25%, 3/28/29  | 829          | 1,407,838  |
| Wave Holdco LLC/Wave Holdco Corp., (8.25% Cash or 9.00% PIK), 8.25%, 7/15/19 (d)(g) | USD 2,710    | 2,777,750  |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (d)               | 2,248        | 2,427,840  |
| Ziggo Bond Finance BV:  |              |            |
| 4.63%, 1/15/25  | EUR 902      | 1,062,376  |

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|   |     |        |             |
|---|-----|--------|-------------|
| 5.88%, 1/15/25 (d)  | USD | 3,773  | 3,947,501   |
|   |     |        | 221,115,050 |
| <b>Metals &amp; Mining 4.3%</b>                             |     |        |             |
| Alcoa, Inc.:  |     |        |             |
| 6.15%, 8/15/20  |     | 1,330  | 1,510,821   |
| 5.13%, 10/01/24   |     | 8,691  | 9,451,723   |
| 5.90%, 2/01/27  |     | 215    | 241,413     |
| 6.75%, 1/15/28  |     | 477    | 553,405     |
| 5.95%, 2/01/37  |     | 264    | 284,169     |
| Arch Coal, Inc.:  |     |        |             |
| 7.00%, 6/15/19  |     | 1,614  | 484,200     |
| 7.25%, 10/01/20   |     | 678    | 235,605     |
| 7.25%, 6/15/21  |     | 500    | 145,000     |
| Constellium NV:   |     |        |             |
| 4.63%, 5/15/21  | EUR | 1,270  | 1,364,346   |
| 8.00%, 1/15/23 (d)  | USD | 6,525  | 6,826,781   |
| 5.75%, 5/15/24 (d)  |     | 3,385  | 3,207,288   |
| Eco-Bat Finance PLC, 7.75%, 2/15/17                         | EUR | 1,954  | 2,099,159   |
| Global Brass & Copper, Inc., 9.50%, 6/01/19                 | USD | 4,660  | 5,032,800   |
| Kaiser Aluminum Corp., 8.25%, 6/01/20                       |     | 1,240  | 1,343,850   |
| Novelis, Inc., 8.75%, 12/15/20                              |     | 12,968 | 14,070,280  |
| Ovako AB, 6.50%, 6/01/19                                    | EUR | 606    | 695,098     |
| Peabody Energy Corp., 6.50%, 9/15/20                        | USD | 1,194  | 1,010,423   |
| Perstorp Holding AB, 8.75%, 5/15/17 (d)                     |     | 990    | 1,024,650   |
| Ryerson, Inc./Joseph T Ryerson & Son, Inc., 9.00%, 10/15/17 |     | 1,740  | 1,779,150   |
| Steel Dynamics, Inc.:                                       |     |        |             |
| 5.13%, 10/01/21 (d)   |     | 3,085  | 3,162,125   |
| 6.38%, 8/15/22  |     | 1,345  | 1,442,513   |
| 5.25%, 4/15/23  |     | 1,168  | 1,203,040   |
| ThyssenKrupp AG:  |     |        |             |
| 1.75%, 11/25/20   | EUR | 550    | 613,816     |
| 2.50%, 2/25/25  |     | 750    | 836,098     |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b>                |
|--|-----|----------------------|-----------------------------|
| <b>Corporate Bonds</b>   |     |                      |                             |
| <b>Metals &amp; Mining (concluded)</b>                               |     |                      |                             |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (d) | USD | 10,804               | \$ 11,708,835<br>70,326,588 |
| <b>Multi-Utilities 0.1%</b>  |     |                      |                             |
| CE Energy AS, 7.00%, 2/01/21   | EUR | 745                  | 847,240                     |
| <b>Multiline Retail 0.7%</b>   |     |                      |                             |
| CST Brands, Inc., 5.00%, 5/01/23                                     |     | 653                  | 674,223                     |
| Debenhams PLC, 5.25%, 7/15/21  | GBP | 914                  | 1,393,647                   |
| Dufry Finance SCA, 5.50%, 10/15/20 (d)                               | USD | 1,927                | 2,009,738                   |
| Hema Bondco I BV, 6.25%, 6/15/19                                     | EUR | 2,105                | 1,961,037                   |
| The Neiman Marcus Group Ltd., 8.00%, 10/15/21 (d)                    | USD | 4,727                | 4,969,259<br>11,007,904     |
| <b>Oil, Gas &amp; Consumable Fuels 11.6%</b>                         |     |                      |                             |
| Access Midstream Partners LP/ACMP Finance Corp.:                     |     |                      |                             |
| 5.88%, 4/15/21   |     | 1,325                | 1,386,888                   |
| 6.13%, 7/15/22   |     | 1,520                | 1,628,300                   |
| 4.88%, 3/15/24   |     | 396                  | 407,880                     |
| Antero Resources Corp., 5.13%, 12/01/22 (d)                          |     | 254                  | 250,190                     |
| Antero Resources Finance Corp.:                                      |     |                      |                             |
| 6.00%, 12/01/20  |     | 241                  | 246,423                     |
| 5.38%, 11/01/21  |     | 2,008                | 2,023,060                   |
| Berry Petroleum Co., 6.38%, 9/15/22                                  |     | 1,755                | 1,395,225                   |
| Bonanza Creek Energy, Inc.:  |     |                      |                             |
| 6.75%, 4/15/21   |     | 2,344                | 2,297,120                   |
| 5.75%, 2/01/23   |     | 3,254                | 3,026,220                   |
| California Resources Corp., 6.00%, 11/15/24 (d)                      |     | 8,052                | 7,176,345                   |
| Carrizo Oil & Gas, Inc.:   |     |                      |                             |
| 8.63%, 10/15/18  |     | 1,828                | 1,901,120                   |
| 7.50%, 9/15/20   |     | 671                  | 685,259                     |
| Chaparral Energy, Inc., 7.63%, 11/15/22                              |     | 1,220                | 902,800                     |
| Chesapeake Energy Corp.:   |     |                      |                             |
| 6.63%, 8/15/20   |     | 1,670                | 1,816,125                   |
| 6.88%, 11/15/20  |     | 771                  | 847,136                     |
| 6.13%, 2/15/21   |     | 524                  | 556,750                     |
| 4.88%, 4/15/22   |     | 3,240                | 3,199,500                   |
| Cimarex Energy Co., 4.38%, 6/01/24                                   |     | 1,349                | 1,328,765                   |
| Concho Resources, Inc.:  |     |                      |                             |
| 5.50%, 10/01/22  |     | 2,016                | 2,086,560                   |
| 5.50%, 4/01/23   |     | 3,085                | 3,192,975                   |
| CONSOL Energy, Inc., 5.88%, 4/15/22                                  |     | 11,028               | 10,586,880                  |
| CrownRock LP/CrownRock Finance, Inc. (d):                            |     |                      |                             |
| 7.13%, 4/15/21   |     | 3,710                | 3,710,000                   |
| 7.75%, 2/15/23   |     | 1,064                | 1,098,580                   |
| Denbury Resources, Inc.:   |     |                      |                             |
| 5.50%, 5/01/22   |     | 2,530                | 2,365,550                   |
| 4.63%, 7/15/23   |     | 196                  | 175,665                     |

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|  |       |           |
|--|-------|-----------|
| Diamondback Energy, Inc., 7.63%, 10/01/21                            | 2,877 | 3,020,850 |
| El Paso LLC:   |       |           |
| 7.80%, 8/01/31   | 2,547 | 3,149,982 |
| 7.75%, 1/15/32   | 5,669 | 7,074,441 |
| Energy Transfer Equity LP, 5.88%, 1/15/24                            | 7,967 | 8,524,690 |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19      | 730   | 748,250   |
| Halcon Resources Corp.:  |       |           |
| 9.75%, 7/15/20   | 2,146 | 1,652,420 |
| 8.88%, 5/15/21   | 926   | 703,760   |
| 9.25%, 2/15/22   | 1,257 | 939,608   |
| Hilcorp Energy I LP/Hilcorp Finance Co. (d):                         |       |           |
| 7.63%, 4/15/21   | 1,472 | 1,534,560 |
| 5.00%, 12/01/24  | 2,448 | 2,307,240 |
| Jones Energy Holdings LLC/Jones Energy Finance Corp., 6.75%, 4/01/22 |       |           |
| (d)  | 1,400 | 1,337,000 |
| Kinder Morgan, Inc., 5.63%, 11/15/23 (d)                             | 1,146 | 1,286,069 |
| Laredo Petroleum, Inc.:  |       |           |
| 9.50%, 2/15/19   | 329   | 342,160   |
| 7.38%, 5/01/22   | 1,808 | 1,862,240 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Corporate Bonds</b>   |              |              |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                       |              |              |
| Legacy Reserves LP/Legacy Reserves Finance Corp., 6.63%, 12/01/21        | USD 1,390    | \$ 1,118,950 |
| Linn Energy LLC/Linn Energy Finance Corp.:                               |              |              |
| 6.25%, 11/01/19  | 1,628        | 1,387,870    |
| 8.63%, 4/15/20   | 4,840        | 4,392,300    |
| 7.75%, 2/01/21   | 365          | 318,463      |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:               |              |              |
| 6.25%, 6/15/22   | 674          | 714,440      |
| 4.50%, 7/15/23   | 1,720        | 1,730,320    |
| Memorial Production Partners LP/Memorial Production Finance Corp.:       |              |              |
| 7.63%, 5/01/21   | 605          | 579,288      |
| 6.88%, 8/01/22 (d)   | 1,242        | 1,151,955    |
| Memorial Resource Development Corp., 5.88%, 7/01/22 (d)                  | 6,071        | 5,828,160    |
| Newfield Exploration Co., 6.88%, 2/01/20                                 | 4,325        | 4,443,937    |
| NGPL PipeCo LLC (d):   |              |              |
| 7.12%, 12/15/17  | 3,130        | 3,114,350    |
| 9.63%, 6/01/19   | 891          | 893,228      |
| Oasis Petroleum, Inc., 6.50%, 11/01/21                                   | 1,625        | 1,558,984    |
| Offshore Group Investment Ltd., 7.50%, 11/01/19                          | 1,370        | 876,800      |
| Pacific Drilling SA, 5.38%, 6/01/20 (d)                                  | 826          | 657,186      |
| Parsley Energy LLC/Parsley Finance Corp., 7.50%, 2/15/22 (d)             | 4,536        | 4,649,400    |
| PDC Energy, Inc., 7.75%, 10/15/22  | 995          | 1,034,800    |
| Penn Virginia Resource Partners LP/Penn Virginia Resource Finance Corp., |              |              |
| 6.50%, 5/15/21   | 1,193        | 1,282,475    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (d)                          | 3,816        | 3,482,100    |
| Range Resources Corp.:   |              |              |
| 5.75%, 6/01/21   | 568          | 597,820      |
| 5.00%, 8/15/22   | 530          | 541,925      |



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|  |       |           |
|--|-------|-----------|
| 5.00%, 3/15/23   | 1,193 | 1,219,842 |
| Regency Energy Partners LP/Regency Energy Finance Corp.:       |       |           |
| 5.75%, 9/01/20   | 628   | 682,950   |
| 6.50%, 7/15/21   | 685   | 732,950   |
| 5.88%, 3/01/22   | 247   | 269,848   |
| 5.50%, 4/15/23   | 2,059 | 2,151,655 |
| 4.50%, 11/01/23  | 2,835 | 2,898,787 |
| Rockies Express Pipeline LLC, 6.00%, 1/15/19 (d)               | 2,524 | 2,675,440 |
| Rose Rock Midstream LP/Rose Rock Finance Corp., 5.63%, 7/15/22 | 1,747 | 1,742,632 |
| Rosetta Resources, Inc., 5.88%, 6/01/24                        | 1,007 | 951,615   |
| RSP Permian, Inc., 6.63%, 10/01/22 (d)                         | 1,756 | 1,766,975 |
| Sabine Pass Liquefaction LLC:                                  |       |           |
| 5.63%, 4/15/23   | 3,087 | 3,156,457 |
| 5.75%, 5/15/24   | 5,085 | 5,199,412 |
| 5.63%, 3/01/25 (d)   | 3,748 | 3,766,740 |
| Sanchez Energy Corp.:  |       |           |
| 7.75%, 6/15/21   | 547   | 545,633   |
| 6.13%, 1/15/23 (d)   | 4,282 | 3,928,735 |
| Series WI, 6.13%, 1/15/23                                      | 875   | 802,813   |
| SandRidge Energy, Inc.:  |       |           |
| 8.75%, 1/15/20   | 141   | 107,865   |
| 7.50%, 2/15/23   | 1,378 | 985,270   |
| Seven Generations Energy Ltd., 8.25%, 5/15/20 (d)              | 6,541 | 6,786,287 |
| Seventy Seven Energy, Inc., 6.50%, 7/15/22                     | 1,133 | 589,160   |
| Seventy Seven Operating LLC, 6.63%, 11/15/19                   | 1,112 | 892,380   |
| SM Energy Co.:   |       |           |
| 6.13%, 11/15/22 (d)  | 3,080 | 3,157,000 |
| 6.50%, 1/01/23   | 951   | 979,530   |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp.:  |       |           |
| 7.50%, 7/01/21   | 1,566 | 1,648,215 |
| 5.50%, 8/15/22   | 1,711 | 1,659,670 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                    |                      |              |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp.,<br>6.38%, 8/01/22 | USD 3,852            | \$ 4,073,490 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 6.25%, 10/15/22 (d)               | 3,154                | 3,343,240    |
| Ultra Petroleum Corp., 5.75%, 12/15/18 (d)  | 979                  | 949,630      |
| Whiting Petroleum Corp.:  |                      |              |
| 5.00%, 3/15/19  | 1,504                | 1,481,440    |
| 5.75%, 3/15/21  | 458                  | 451,130      |
|   |                      | 188,726,128  |
| <b>Paper &amp; Forest Products 0.1%</b>   |                      |              |
| Clearwater Paper Corp., 4.50%, 2/01/23  | 197                  | 196,015      |
| Pfleiderer GmbH, 7.88%, 8/01/19   | EUR 530              | 583,311      |
| Unifrax I LLC/Unifrax Holding Co., 7.50%, 2/15/19 (d)                                 | USD 1,335            | 1,348,350    |
|   |                      | 2,127,676    |
| <b>Pharmaceuticals 2.3%</b>   |                      |              |
| Endo Finance LLC/Endo Finco, Inc. (d):  |                      |              |
| 7.00%, 12/15/20   | 628                  | 664,110      |
| 7.25%, 1/15/22  | 696                  | 747,330      |
| 6.00%, 2/01/25  | 4,617                | 4,888,249    |
| Grifols Worldwide Operations Ltd., 5.25%, 4/01/22 (d)                                 | 4,047                | 4,148,175    |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (d)                    | 3,596                | 3,874,690    |
| JLL/Delta Dutch Newco BV, 7.50%, 2/01/22 (d)  | 1,298                | 1,333,695    |
| Mallinckrodt International Finance SA, 5.75%, 8/01/22 (c)                             | 1,690                | 1,787,175    |
| Pinnacle Merger Sub, Inc., 9.50%, 10/01/23 (d)  | 453                  | 509,625      |
| Valeant Pharmaceuticals International, Inc. (d):                                      |                      |              |
| 6.75%, 8/15/18  | 3,433                | 3,647,563    |
| 7.00%, 10/01/20   | 3,210                | 3,370,500    |
| 6.38%, 10/15/20   | 5,893                | 6,202,382    |
| 7.50%, 7/15/21  | 1,375                | 1,491,875    |
| 6.75%, 8/15/21  | 2,241                | 2,353,050    |
| 5.50%, 3/01/23  | 2,372                | 2,395,720    |
|   |                      | 37,414,139   |
| <b>Professional Services 0.2%</b>   |                      |              |
| Truven Health Analytics, Inc., 10.63%, 6/01/20  | 2,840                | 2,918,100    |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                                     |                      |              |
| Felcor Lodging LP:  |                      |              |
| 6.75%, 6/01/19  | 5,386                | 5,628,370    |
| 5.63%, 3/01/23  | 1,422                | 1,469,921    |
| Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., 5.63%,<br>10/15/21       | 1,361                | 1,444,361    |
| Host Hotels & Resorts LP, 2.50%, 10/15/29 (d)(j)                                      | 815                  | 1,327,941    |
| iStar Financial, Inc.:  |                      |              |
| 4.00%, 11/01/17   | 685                  | 681,575      |
| 5.00%, 7/01/19  | 480                  | 480,000      |
|   |                      | 11,032,168   |
| <b>Real Estate Management &amp; Development 1.7%</b>                                  |                      |              |

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|   |           |           |
|---|-----------|-----------|
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (d) | 4,515     | 4,819,763 |
| The Howard Hughes Corp., 6.88%, 10/01/21 (d)                        | 1,369     | 1,439,161 |
| Kennedy-Wilson, Inc., 5.88%, 4/01/24                                | 1,364     | 1,377,640 |
| Punch Taverns Finance PLC, Series M3, 6.06%, 10/15/27 (d)(e)        | GBP 1,202 | 1,744,368 |
| Realogy Corp. (d):  |           |           |
| 7.63%, 1/15/20  | USD 2,646 | 2,851,065 |
| 9.00%, 1/15/20  | 1,269     | 1,395,900 |
| Realogy Group LLC/Realogy Co-Issuer Corp., 4.50%, 4/15/19 (d)       | 3,458     | 3,518,515 |
| Rialto Holdings LLC/Rialto Corp., 7.00%, 12/01/18 (d)               | 1,065     | 1,086,300 |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19              | 6,320     | 6,651,800 |

|  | Par<br>(000) | Value                     |
|--|--------------|---------------------------|
| <b>Corporate Bonds</b>   |              |                           |
| <b>Real Estate Management &amp; Development (concluded)</b>  |              |                           |
| Woodside Homes Co. LLC/Woodside Homes Finance, Inc., 6.75%,<br>12/15/21 (d)                                | USD 2,305    | \$2,235,850<br>27,120,362 |
| <b>Road &amp; Rail 0.8%</b>  |              |                           |
| EC Finance PLC, 5.13%, 7/15/21   | EUR 675      | 795,015                   |
| Florida East Coast Holdings Corp., 6.75%, 5/01/19 (d)  | USD 3,372    | 3,477,375                 |
| The Hertz Corp.:   |              |                           |
| 7.50%, 10/15/18  | 3,220        | 3,332,700                 |
| 6.75%, 4/15/19   | 1,615        | 1,669,506                 |
| 5.88%, 10/15/20  | 370          | 382,025                   |
| 7.38%, 1/15/21   | 2,360        | 2,483,900                 |
| Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (d)   | 1,093        | 1,098,465<br>13,238,986   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.4%</b>   |              |                           |
| Micron Technology, Inc., 5.50%, 2/01/25 (d)  | 3,985        | 4,084,625                 |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (d)   | 2,065        | 2,188,900                 |
| Sensata Technologies BV, 5.63%, 11/01/24 (d)   | 903          | 968,468<br>7,241,993      |
| <b>Software 1.5%</b>   |              |                           |
| Audatex North America, Inc., 6.13%, 11/01/23 (d)   | 1,350        | 1,431,000                 |
| BMC Software Finance, Inc., 8.13%, 7/15/21 (d)   | 917          | 856,249                   |
| Igloo Holdings Corp., (8.25% Cash or 9.00% PIK), 8.25%, 12/15/17 (d)(g)                                    | 881          | 888,709                   |
| Infor Software Parent LLC/Infor Software Parent, Inc., (7.13% Cash or<br>7.88% PIK), 7.13%, 5/01/21 (d)(g) | 4,891        | 4,921,569                 |
| Infor US, Inc., 9.38%, 4/01/19   | 9,815        | 10,538,856                |
| Nuance Communications, Inc., 5.38%, 8/15/20 (d)  | 2,430        | 2,490,750                 |
| Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (d)   | 2,437        | 2,601,497<br>23,728,630   |
| <b>Specialty Retail 1.4%</b>   |              |                           |
| Asbury Automotive Group, Inc., 6.00%, 12/15/24   | 1,168        | 1,223,480                 |
| The Hillman Group, Inc., 6.38%, 7/15/22 (d)  | 1,438        | 1,402,050                 |
| L Brands, Inc., 8.50%, 6/15/19   | 3,925        | 4,739,437                 |
| Magnolia BC SA, 9.00%, 8/01/20   | EUR 752      | 876,870                   |
| New Look Bondco I PLC, 8.75%, 5/14/18  | GBP 438      | 710,558                   |
| Party City Holdings, Inc., 8.88%, 8/01/20  | USD 3,489    | 3,811,733<br>1,606,500    |

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|  |           |            |
|--|-----------|------------|
| PC Nextco Holdings LLC/PC Nextco Finance, Inc., (8.75% Cash or 9.50% PIK), 8.75%, 8/15/19 (d)(g) |           |            |
| <b>Penske Automotive Group, Inc.:</b>  |           |            |
| 5.75%, 10/01/22  | 1,775     | 1,859,313  |
| 5.38%, 12/01/24  | 1,335     | 1,381,725  |
| QVC, Inc., 7.38%, 10/15/20 (d)   | 1,640     | 1,709,700  |
| Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22   | 1,599     | 1,702,935  |
| THOM Europe SAS, 7.38%, 7/15/19  | EUR 1,190 | 1,384,936  |
| TUI AG, 4.50%, 10/01/19  | 204       | 243,741    |
| Twin Set-Simona Barbieri SpA, 5.95%, 7/15/19 (e)   | USD 649   | 622,771    |
|  |           | 23,275,749 |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>   |           |            |
| Levi Strauss & Co., 6.88%, 5/01/22   | 2,430     | 2,673,000  |
| Polymer Group, Inc., 6.88%, 6/01/19 (d)  | 900       | 864,000    |
| PVH Corp., 4.50%, 12/15/22   | 1,401     | 1,425,518  |
| Springs Industries, Inc., 6.25%, 6/01/21   | 1,744     | 1,704,760  |
| The William Carter Co., 5.25%, 8/15/21   | 788       | 825,233    |
|  |           | 7,492,511  |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>   |           |            |
| <b>Radian Group, Inc.:</b>   |           |            |
| 3.00%, 11/15/17 (j)  | 330       | 483,656    |
| 2.25%, 3/01/19 (j)   | 712       | 1,088,915  |
| 5.50%, 6/01/19   | 926       | 958,410    |
|  |           | 2,530,981  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|   | <b>Par<br/>(000)</b> | <b>Value</b>         |
|---|----------------------|----------------------|
| <b>Corporate Bonds</b>  |                      |                      |
| <b>Trading Companies &amp; Distributors 0.5%</b>                      |                      |                      |
| Ashtead Capital, Inc. (d):  |                      |                      |
| 6.50%, 7/15/22  | USD 4,976            | \$5,411,400          |
| 5.63%, 10/01/24   | 2,095                | 2,199,750            |
| Travis Perkins PLC, 4.38%, 9/15/21                                    | GBP 729              | 1,174,850            |
|   |                      | 8,786,000            |
| <b>Transportation Infrastructure 0.3%</b>                             |                      |                      |
| Aguila 3 SA, 7.88%, 1/31/18 (c)                                       | USD 2,496            | 2,527,200            |
| JCH Parent, Inc., (10.50% Cash or 11.25% PIK), 10.50%, 3/15/19 (d)(g) | 2,553                | 2,361,525            |
|   |                      | 4,888,725            |
| <b>Wireless Telecommunication Services 5.6%</b>                       |                      |                      |
| Crown Castle International Corp., 5.25%, 1/15/23                      | 3,571                | 3,767,405            |
| Digicel Group Ltd. (d):   |                      |                      |
| 8.25%, 9/30/20  | 3,495                | 3,535,193            |
| 7.13%, 4/01/22  | 6,215                | 5,919,788            |
| Digicel Ltd., 6.00%, 4/15/21 (d)                                      | 7,619                | 7,561,857            |
| The Geo Group, Inc.:  |                      |                      |
| 5.88%, 1/15/22  | 2,220                | 2,342,100            |
| 5.88%, 10/15/24   | 2,030                | 2,126,425            |
| SBA Communications Corp., 4.88%, 7/15/22 (d)                          | 3,775                | 3,775,000            |
| Sprint Capital Corp., 8.75%, 3/15/32                                  | 1,330                | 1,404,813            |
| Sprint Communications, Inc. (d):                                      |                      |                      |
| 9.00%, 11/15/18   | 13,529               | 15,727,462           |
| 7.00%, 3/01/20  | 6,812                | 7,546,402            |
| Sprint Corp.:   |                      |                      |
| 7.88%, 9/15/23  | 7,009                | 7,236,792            |
| 7.13%, 6/15/24  | 3,777                | 3,758,115            |
| 7.63%, 2/15/25  | 1,620                | 1,636,200            |
| T-Mobile USA, Inc.:   |                      |                      |
| 6.63%, 4/28/21  | 1,897                | 2,017,934            |
| 6.13%, 1/15/22  | 367                  | 386,268              |
| 6.73%, 4/28/22  | 1,227                | 1,306,755            |
| 6.00%, 3/01/23  | 2,244                | 2,340,514            |
| 6.50%, 1/15/24  | 2,638                | 2,789,685            |
| 6.38%, 3/01/25  | 7,145                | 7,466,525            |
| Wind Acquisition Finance SA:  |                      |                      |
| 4.00%, 7/15/20  | EUR 4,549            | 5,178,371            |
| 4.07%, 7/15/20 (e)  | 2,115                | 2,360,282            |
|   |                      | 90,183,886           |
| <b>Total Corporate Bonds 104.4%</b>                                   |                      | <b>1,693,672,671</b> |
| <b>Floating Rate Loan Interests (e)</b>                               |                      |                      |
| <b>Aerospace &amp; Defense 0.2%</b>                                   |                      |                      |
| BE Aerospace, Inc., 2014 Term Loan B, 4.00%, 12/16/21                 | USD 3,300            | 3,306,864            |
| <b>Air Freight &amp; Logistics 0.2%</b>                               |                      |                      |

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|  |              |              |
|--|--------------|--------------|
| CEVA Group PLC, Synthetic LC, 6.50%, 3/19/21                               | 1,149        | 1,061,103    |
| CEVA Intercompany BV, Synthetic LC, 6.50%, 3/19/21                         | 1,202        | 1,110,589    |
| CEVA Logistics Canada ULC, Canadian Term Loan, 6.50%, 3/19/21              | 207          | 191,481      |
| CEVA Logistics US Holdings, Inc., Term Loan, 6.50%, 3/19/21                | 1,658        | 1,531,846    |
|  |              | 3,895,019    |
| <b>Airlines 0.8%</b>   |              |              |
| Delta Air Lines, Inc., 2018 Term Loan B1, 3.25%, 10/18/18                  | 2,343        | 2,341,198    |
| Northwest Airlines, Inc.:  |              |              |
| 2.18%, 3/10/17   | 4,430        | 4,318,708    |
| 1.56%, 9/10/18   | 6,495        | 6,202,407    |
|  |              | 12,862,313   |
| <b>Auto Components 0.7%</b>  |              |              |
| Gates Global, Inc., Term Loan B, 4.25%, 7/05/21                            | 11,416       | 11,327,910   |
| <b>Floating Rate Loan</b>  | <b>Par</b>   |              |
| <b>Interests (e)</b>   | <b>(000)</b> | <b>Value</b> |
| <b>Building Products 0.1%</b>  |              |              |
| Wilsonart LLC, Term Loan B, 4.00%, 10/31/19                                | USD 2,303    | \$ 2,281,884 |
| <b>Capital Markets 0.2%</b>  |              |              |
| Affinion Group, Inc., 2nd Lien Term Loan, 8.50%, 10/12/18                  | 425          | 372,764      |
| American Capital Holdings, Inc., 2017 Term Loan, 3.50%, 8/22/17            | 2,983        | 2,970,327    |
|  |              | 3,343,091    |
| <b>Chemicals 0.2%</b>  |              |              |
| Axalta Coating Systems US Holdings, Inc., Term Loan, 3.75%, 2/01/20        | 1,345        | 1,333,852    |
| MacDermid, Inc., Term Loan B2, 4.75%, 6/07/20                              | 511          | 513,203      |
| OXEА Finance LLC, 2nd Lien Term Loan, 8.25%, 7/15/20                       | 1,615        | 1,520,119    |
|  |              | 3,367,174    |
| <b>Commercial Services &amp; Supplies 0.3%</b>                             |              |              |
| Brand Energy & Infrastructure Services, Inc., Term Loan B, 4.75%, 11/26/20 | 2,815        | 2,744,688    |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19                            | 2,620        | 2,599,511    |
|  |              | 5,344,199    |
| <b>Communications Equipment 0.5%</b>                                       |              |              |
| Riverbed Technology, Inc., Term Loan B, 6.00%, 2/19/22                     | 1,445        | 1,455,837    |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.00%, 7/02/19             | 6,945        | 6,936,471    |
|  |              | 8,392,308    |
| <b>Construction Materials 0.3%</b>   |              |              |
| HD Supply, Inc., Term Loan B, 4.00%, 6/28/18                               | 4,802        | 4,788,663    |
| <b>Diversified Financial Services 0.1%</b>                                 |              |              |
| Onex Wizard US Acquisition, Inc., Term Loan, 5.50%, 1/14/22                | 1,915        | 1,926,624    |
| <b>Diversified Telecommunication Services 0.2%</b>                         |              |              |
| Hawaiian Telcom Communications, Inc., Term Loan B, 5.00%, 6/06/19          | 1,428        | 1,432,222    |
| Level 3 Financing, Inc., 2019 Term Loan, 4.00%, 8/01/19                    | 1,785        | 1,783,733    |
|  |              | 3,215,955    |
| <b>Electric Utilities 0.4%</b>   |              |              |
| American Energy Marcellus LLC, 1st Lien Term Loan, 5.25%, 8/04/20          | 1,001        | 850,005      |
| American Energy Utica LLC, 2nd Lien Term Loan, 5.50%, 9/30/18              | 5,936        | 5,372,475    |
|  |              | 6,222,480    |
| <b>Electrical Equipment 0.3%</b>   |              |              |
| Texas Competitive Electric Holdings Co. LLC, DIP Term Loan, 3.75%, 5/05/16 | 5,613        | 5,637,108    |
| <b>Energy Equipment &amp; Services 0.1%</b>                                |              |              |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                        | 990          | 986,678      |

**Food & Staples Retailing 0.0%**

|  |     |         |
|--|-----|---------|
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20 | 600 | 605,628 |
|--|-----|---------|

**Health Care Providers & Services 0.4%**

|   |       |           |
|---|-------|-----------|
| CHS/Community Health Systems, Inc., Term Loan D, 4.25%, 1/27/21 | 3,598 | 3,604,640 |
|---|-------|-----------|

|   |       |           |
|---|-------|-----------|
| Genesis HealthCare Corp., Term Loan B, 10.00%, 12/04/17 | 1,219 | 1,243,070 |
|---|-------|-----------|

|  |     |         |
|--|-----|---------|
| Surgery Center Holdings, Inc., 1st Lien Term Loan, 5.25%, 11/03/20 | 966 | 956,473 |
|--|-----|---------|

|  |  |           |
|--|--|-----------|
|  |  | 5,804,183 |
|--|--|-----------|

**Hotels, Restaurants & Leisure 3.2%**

Amaya Holdings BV:

|                                    |     |         |
|------------------------------------|-----|---------|
| 1st Lien Term Loan, 5.00%, 8/01/21 | 527 | 523,149 |
|------------------------------------|-----|---------|

|                                    |       |           |
|------------------------------------|-------|-----------|
| 2nd Lien Term Loan, 8.00%, 8/01/22 | 9,778 | 9,720,021 |
|------------------------------------|-------|-----------|

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

| <b>Floating Rate Loan Interests (e)</b>                                      | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>                         |                      |              |
| Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20                               | USD 2,261            | \$ 2,259,734 |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/15/20                    | 6,003                | 5,763,212    |
| Caesars Entertainment Operating Co., Inc., Term Loan B7, 9.75%, 1/28/18      | 762                  | 702,418      |
| Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%,<br>10/11/20 | 8,355                | 8,045,603    |
| Diamond Resorts Corp., Term Loan, 5.50%, 5/09/21                             | 2,356                | 2,367,403    |
| Hilton Worldwide Finance LLC, Term Loan B2, 3.50%, 10/26/20                  | 1,023                | 1,022,155    |
| La Quinta Intermediate Holdings LLC, Term Loan B, 4.00%, 4/14/21             | 5,203                | 5,196,785    |
| MGM Resorts International, Term Loan B, 3.50%, 12/20/19                      | 1,765                | 1,758,266    |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20                   | 2,197                | 2,194,663    |
| Station Casinos LLC, Term Loan B, 4.25%, 3/02/20                             | 4,895                | 4,888,410    |
| Travelport Finance (Luxembourg) Sarl, 2014 Term Loan B, 6.00%, 9/02/21       | 6,963                | 7,014,769    |
|  |                      | 51,456,588   |
| <b>Independent Power and Renewable Electricity Producers 0.3%</b>            |                      |              |
| Calpine Corp., Term Loan B1, 4.00%, 4/01/18                                  | 221                  | 221,454      |
| Energy Future Intermediate Holding Co LLC, DIP Term Loan, 4.25%,<br>6/19/16  | 5,103                | 5,124,166    |
|  |                      | 5,345,620    |
| <b>Industrial Conglomerates 0.2%</b>   |                      |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                                     | 3,975                | 3,872,755    |
| <b>Insurance 0.1%</b>  |                      |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19                       | 1,647                | 1,642,862    |
| <b>Internet Software &amp; Services 0.2%</b>                                 |                      |              |
| Interactive Data Corp., 2014 Term Loan, 4.75%, 5/02/21                       | 3,632                | 3,640,829    |
| <b>IT Services 0.9%</b>  |                      |              |
| First Data Corp.:  |                      |              |
| 2018 Extended Term Loan, 3.67%, 3/24/18                                      | 15,081               | 15,054,434   |
| 2018 Term Loan, 3.67%, 9/24/18   | 200                  | 199,812      |
|  |                      | 15,254,246   |
| <b>Machinery 0.4%</b>  |                      |              |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/21/20                            | 2,879                | 2,870,446    |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                        | 3,375                | 3,241,504    |
|  |                      | 6,111,950    |
| <b>Media 1.0%</b>  |                      |              |
| Cengage Learning Acquisitions, Inc.:   |                      |              |
| 1st Lien Term Loan, 7.00%, 3/31/20   | 6,191                | 6,189,813    |
| 1st Lien Term Loan, 0.00%, 7/03/15 (a)(k)                                    | 10,469               | 1            |
| Clear Channel Communications, Inc., Term Loan D, 6.92%, 1/30/19              | 4,098                | 3,920,204    |
| Media General, Inc., Delayed Draw Term Loan B, 4.25%, 7/31/20                | 3,390                | 3,397,607    |
| Tribune Co., 2013 Term Loan, 4.00%, 12/27/20                                 | 225                  | 225,105      |
| Univision Communications, Inc., Term Loan C4, 4.00%, 3/01/20                 | 1,790                | 1,785,672    |
|  |                      | 15,518,402   |
| <b>Metals &amp; Mining 0.1%</b>  |                      |              |
| Novelis, Inc., Term Loan, 3.75%, 3/10/17                                     | 1,583                | 1,580,685    |



| <b>Floating Rate Loan Interests (e)</b>                              | <b>Par (000)</b> | <b>Value</b> |
|--|------------------|--------------|
| <b>Multiline Retail 0.1%</b>   |                  |              |
| BJ's Wholesale Club, Inc., 2nd Lien Term Loan, 8.50%, 3/26/20        | USD 1,065        | \$1,055,681  |
| <b>Oil, Gas &amp; Consumable Fuels 0.5%</b>                          |                  |              |
| Arch Coal, Inc., Term Loan B, 6.25%, 5/16/18                         | 1,432            | 1,145,189    |
| CITGO Holding, Inc., 2015 Term Loan B, 9.50%, 1/26/20                | 5,070            | 5,040,442    |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15               | 1,258            | 1,245,456    |
|  |                  | 7,431,087    |
| <b>Pharmaceuticals 0.8%</b>  |                  |              |
| Grifols Worldwide Operations USA, Inc., Term Loan B, 3.17%, 2/27/21  | 4,749            | 4,736,860    |
| Mallinckrodt International Finance SA, Term Loan B, 3.25%, 3/19/21   | 1,806            | 1,795,512    |
| Par Pharmaceutical Cos., Inc., Term Loan B2, 4.00%, 9/30/19          | 4,613            | 4,582,033    |
| Pharmaceutical Product Development LLC, Term Loan B, 4.00%, 12/05/18 | 1,370            | 1,367,088    |
|  |                  | 12,481,493   |
| <b>Professional Services 0.3%</b>                                    |                  |              |
| Advantage Sales & Marketing, Inc.:                                   |                  |              |
| 2014 1st Lien Term Loan, 4.25%, 7/23/21                              | 1,696            | 1,686,847    |
| 2014 2nd Lien Term Loan, 7.50%, 7/25/22                              | 2,495            | 2,486,417    |
| Ceridian LLC, 2014 Term Loan, 4.50%, 9/15/20                         | 640              | 632,353      |
|  |                  | 4,805,617    |
| <b>Real Estate Management &amp; Development 0.0%</b>                 |                  |              |
| Realogy Corp., Extended Letter of Credit, 4.40%, 10/10/16            | 229              | 224,740      |
| <b>Road &amp; Rail 0.4%</b>  |                  |              |
| The Hertz Corp.:   |                  |              |
| Term Loan B, 3.50%, 3/11/18  | 1,075            | 1,070,636    |
| Term Loan B2, 3.50%, 3/11/18   | 4,632            | 4,596,232    |
|  |                  | 5,666,868    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.6%</b>             |                  |              |
| Avago Technologies Cayman Ltd., Term Loan B, 3.75%, 5/06/21          | 5,050            | 5,052,504    |
| Freescale Semiconductor, Inc., Term Loan B4, 4.25%, 2/28/20          | 5,337            | 5,323,490    |
|  |                  | 10,375,994   |
| <b>Software 0.5%</b>   |                  |              |
| GCA Services Group, Inc., 2nd Lien Term Loan, 9.25%, 10/22/20        | 260              | 257,400      |
| Infor US, Inc., Term Loan B5, 3.75%, 6/03/20                         | 2,706            | 2,680,516    |
| Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20                     | 3,445            | 3,516,972    |
| Tibco Software, Inc., Term Loan B, 6.50%, 12/04/20                   | 930              | 926,224      |
|  |                  | 7,381,112    |
| <b>Specialty Retail 0.2%</b>   |                  |              |
| PetSmart, Inc., 1st Lien Term Loan, 5.00%, 2/18/22                   | 2,439            | 2,455,341    |
| <b>Technology Hardware, Storage &amp; Peripherals 0.1%</b>           |                  |              |
| Dell, Inc., Term Loan C, 3.75%, 10/29/18                             | 1,992            | 1,994,153    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>                     |                  |              |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18        | 6,102            | 5,156,560    |
| <b>Total Floating Rate Loan Interests 15.2%</b>                      |                  | 246,760,664  |

See Notes to Financial Statements.



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

Consolidated Schedule of Investments (continued)

| <b>Non-Agency Mortgage-Backed Securities</b>   | <b>Par<br/>(000)</b> | <b>Value</b>     |
|--|----------------------|------------------|
| <b>Collateralized Mortgage Obligations 0.2%</b>  |                      |                  |
| Hilton USA Trust, Series 2013-HLT, Class EFX, 5.22%, 11/05/30 (d)(e)                     | USD 3,829            | \$ 3,899,074     |
| <b>Commercial Mortgage-Backed Securities 0.1%</b>  |                      |                  |
| GAHR Commercial Mortgage Trust 2015-NRF, Series 2015-NRF, Class FFX, 3.38%, 12/15/19 (d) | 1,925                | 1,773,913        |
| <b>Total Non-Agency Mortgage-Backed Securities 0.3%</b>                                  |                      | <b>5,672,987</b> |

| <b>Other Interests (I)</b>        | <b>Beneficial<br/>Interest<br/>(000)</b> |               |
|-----------------------------------|--|---------------|
| <b>Auto Components 0.0%</b>       |  |               |
| Lear Corp. Escrow                 | 1,250                                    | 10,938        |
| <b>Media 0.0%</b>                 |  |               |
| Adelphia Escrow (a)               | 4,000                                    | 40            |
| Adelphia Recovery Trust (a)       | 5,017                                    | 501           |
|                                   |  | 541           |
| <b>Total Other Interests 0.0%</b> |  | <b>11,479</b> |

**Preferred Securities**

| <b>Capital Trusts</b>                                 | <b>Par<br/>(000 )</b> |            |
|---|-----------------------|------------|
| <b>Banks 2.7%</b>                                     |                       |            |
| Bank of America Corp. (e)(h):                         |                       |            |
| Series V, 5.13%                                       | 5,620                 | 5,535,700  |
| Series X, 6.25%                                       | 5,270                 | 5,421,512  |
| Series Z, 6.50%                                       | 3,230                 | 3,422,789  |
| Barclays PLC, 8.00% (e)(h)                            | 985                   | 1,193,201  |
| Citigroup, Inc. (e)(h):                               |                       |            |
| 5.95%   | 2,675                 | 2,708,437  |
| Series D, 5.35%                                       | 1,055                 | 1,013,781  |
| JPMorgan Chase & Co. (e)(h):                          |                       |            |
| 6.75%   | 5,324                 | 5,748,216  |
| Series Q, 5.15%                                       | 850                   | 831,980    |
| Series U, 6.13%                                       | 4,228                 | 4,378,094  |
| Series V, 5.00%                                       | 5,615                 | 5,523,756  |
| Wells Fargo & Co. (e)(h):                             |                       |            |
| Series S, 5.90%                                       | 2,615                 | 2,725,301  |
| Series U, 5.88%                                       | 5,215                 | 5,488,787  |
|   |                       | 43,991,554 |
| <b>Capital Markets 0.7%</b>                           |                       |            |
| The Goldman Sachs Group, Inc., Series L, 5.70% (e)(h) | 7,888                 | 8,144,360  |
| Morgan Stanley, Series H, 5.45% (e)(h)                | 3,810                 | 3,898,583  |
|   |                       | 12,042,943 |
| <b>Consumer Finance 0.3%</b>                          |                       |            |

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|  |         |            |
|--|---------|------------|
| American Express Co., Series C, 4.90% (e)(h)       | 4,295   | 4,284,263  |
| <b>Diversified Telecommunication Services 0.1%</b> |         |            |
| Telefonica Europe BV, 4.20% (e)(h)                 | EUR 700 | 833,273    |
| <b>Total Capital Trusts 3.8%</b>                   |         | 61,152,033 |

| <b>Preferred Stocks</b>                            | <b>Shares</b> | <b>Value</b> |
|--|---------------|--------------|
| <b>Banks 0.4%</b>                                  |               |              |
| RBS Capital Funding Trust, Series F, 6.25%         | 93,975        | \$2,344,676  |
| RBS Capital Funding Trust VII, 6.08%               | 152,071       | 3,741,318    |
|  |               | 6,085,994    |
| <b>Capital Markets 0.0%</b>                        |               |              |
| State Street Corp., Series D, 5.90% (e)            | 20,889        | 559,199      |
| <b>Consumer Finance 0.1%</b>                       |               |              |
| Ally Financial, Inc., Series A, 8.50% (e)          | 41,694        | 1,106,559    |
| <b>Diversified Financial Services 0.1%</b>         |               |              |
| Concrete Investments II, 0.00%                     | 4,997         | 743,722      |
| <b>Diversified Telecommunication Services 0.1%</b> |               |              |
| Orange SA, 4.00% (e)                               | 1,225,000     | 1,492,047    |
| <b>Hotels, Restaurants &amp; Leisure 1.6%</b>      |               |              |
| Amaya, Inc., 0.00%                                 | 19,851        | 26,598,212   |
| <b>Media 0.0%</b>                                  |               |              |
| Emmis Communications Corp., Series A, 6.25% (j)    | 10,300        | 119,480      |
| NBCUniversal Enterprise, Inc., 5.25% (d)           | 400           | 426,200      |
|  |               | 545,680      |
| <b>Oil, Gas &amp; Consumable Fuels 0.3%</b>        |               |              |
| Chesapeake Energy Corp.:                           |               |              |
| 5.75% (d)(j)                                       | 1,182         | 1,157,621    |
| 5.75% (j)  | 4,151         | 4,147,264    |
|  |               | 5,304,885    |
| <b>Total Preferred Stocks 2.6%</b>                 |               | 42,436,298   |

| <b>Trust Preferred</b>                             | <b>Par (000)</b> | <b>)</b>    |
|--|------------------|-------------|
| <b>Diversified Financial Services 0.4%</b>         |                  |             |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (e) | USD 256,246      | 6,647,592   |
| <b>Total Preferred Securities 6.8%</b>             |                  | 110,235,923 |

| <b>Investment Companies</b>                        | <b>Shares</b> |            |
|--|---------------|------------|
| iShares iBoxx \$ High Yield Corporate Bond ETF (m) | 497,304       | 45,702,238 |
| <b>Total Investment Companies 2.8%</b>             |               | 45,702,238 |

| <b>Warrants (n)</b>  |            |        |
|--|------------|--------|
| <b>Media 0.0%</b>  |            |        |
| New Vision Holdings LLC (Expires 12/31/15)   | 89,790     | 4,858  |
| <b>Metals &amp; Mining 0.0%</b>  |            |        |
| Peninsula Energy Ltd. (Expires 12/31/15)   | 11,552,784 | 26,179 |
| Peninsula Minerals Ltd. (Expires 12/31/15)   | 20,061,773 | 62,705 |
| <b>Software 0.0%</b>   |            |        |
| HMH Holdings/EduMedia (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27) | 6,494      | 34,652 |

|  |                |                 |
|--|----------------|-----------------|
| <b>Total Warrants</b>                        | <b>0.0%</b>    | 128,394         |
| <b>Total Long-Term Investments</b>           |                |                 |
| <b>(Cost \$2,323,570,836)</b>                | <b>142.2%</b>  | 2,308,633,134   |
| <hr/>  |                |                 |
| <b>Options Purchased</b>                     |                |                 |
| <b>(Cost \$38,133)</b>                       | <b>0.0%</b>    |                 |
| <b>Total Investments</b>                     |                |                 |
| <b>(Cost \$2,323,608,969)</b>                | <b>142.2%</b>  | 2,308,633,134   |
| <b>Liabilities in Excess of Other Assets</b> | <b>(42.2)%</b> | (685,533,508 )  |
| <b>Net Assets</b>                            | <b>100.0%</b>  | \$1,623,099,626 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (HYT)

## Notes to Consolidated Schedule of Investments

- (a) Non-income producing security.
- (b) All or a portion of security is held by a wholly owned subsidiary. See Note 1 of the Notes to Financial Statements for details on the wholly subsidiary.
- (c) Restricted security as to resale. As of report date, the Trust held restricted securities with a current value of \$2,987,473 and an original cost of \$2,419,572, which was 0.2% of its net assets.
- (d) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (e) Variable rate security. Rate shown is as of report date.
- (f) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                   | Value       | Unrealized Appreciation |
|--------------------------------|-------------|-------------------------|
| Bank of America N.A.           | \$ 578,735  | \$12,735                |
| Citigroup Global Markets, Inc. | \$1,450,927 | \$31,927                |
| Pershing LLC                   | \$1,487,738 | \$ 4,726                |
| Stifel Nicolaus & Co.          | \$ 715,750  | \$ 1,281                |
| JPMorgan Securities LLC        | \$1,450,000 |                         |

- (g) 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.
- (h) Security is perpetual in nature and has no stated maturity date.
- (i) Zero-coupon bond.
- (j) Convertible security.
- (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) During the six months ended February 28, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the 1940 Act were as follows:

|   | Shares Held at August 31, 2014 | Shares Purchased | Shares Sold              | Shares Held at February 28, 2015 | Value at February 28, 2015 | In |
|---|--------------------------------|------------------|--------------------------|----------------------------------|----------------------------|----|
| Funds, TempFund, Institutional Class <sup>1</sup> | 3,602,081                      |                  | (3,602,081) <sup>2</sup> |                                  |                            | \$ |
| Yield Corporate Bond Fund ETF                     |                                | 581,858          | (84,554 )                | 497,304                          | \$45,702,238               | \$ |

<sup>1</sup> No longer held by the Trust as of report date.

<sup>2</sup> Represents net shares sold.

- (n) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.
- As of February 28, 2015, financial futures contracts outstanding were as follows:

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| <b>Contracts</b> |                           |                    |                   | <b>Notional</b> | <b>Unrealized</b>    |
|------------------|---------------------------|--------------------|-------------------|-----------------|----------------------|
| <b>Short</b>     | <b>Issue</b>              | <b>Exchange</b>    | <b>Expiration</b> | <b>Value</b>    | <b>Depreciation</b>  |
| (1,373)          | S&P 500 E-Mini Index      | Chicago Mercantile | March 2015        | USD 144,357,220 | \$(7,293,414)        |
| (229)            | Russell 2000 E-Mini Index | Chicago Mercantile | March 2015        | USD 28,203,640  | (2,047,750)          |
| <b>Total</b>     |                           |                    |                   |                 | <b>\$(9,341,164)</b> |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (HYT)

As of February 28, 2015, forward foreign currency contracts outstanding were as follows:

| Currency Purchased | Currency Sold   | Counterparty                    | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------------|---------------------------------|-----------------|--|
| EUR 1,000,000      | USD 1,139,517   | UBS AG                          | 3/04/15         | \$(20,454 )                            |
| CAD 50,000         | USD 40,100      | State Street Bank and Trust Co. | 4/21/15         | (131 )                                 |
| EUR 395,000        | USD 448,051     | Goldman Sachs International     | 4/21/15         | (5,773 )                               |
| EUR 212,000        | USD 240,950     | State Street Bank and Trust Co. | 4/21/15         | (3,575 )                               |
| EUR 901,000        | USD 1,022,886   | State Street Bank and Trust Co. | 4/21/15         | (14,043 )                              |
| GBP 3,212,000      | USD 4,929,061   | Bank of America N.A.            | 4/21/15         | 28,117                                 |
| GBP 1,476,000      | USD 2,273,726   | Bank of America N.A.            | 4/21/15         | 4,230                                  |
| GBP 352,000        | USD 538,460     | Citibank N.A.                   | 4/21/15         | 4,793                                  |
| GBP 193,000        | USD 299,509     | Goldman Sachs International     | 4/21/15         | (1,646 )                               |
| GBP 561,000        | USD 854,236     | State Street Bank and Trust Co. | 4/21/15         | 11,572                                 |
| USD 1,300,379      | AUD 1,605,000   | Toronto Dominion Bank           | 4/21/15         | 49,735                                 |
| USD 51,573,740     | CAD 61,707,000  | UBS AG                          | 4/21/15         | 2,246,997                              |
| USD 123,753        | EUR 109,000     | Bank of America N.A.            | 4/21/15         | 1,707                                  |
| USD 599,218        | EUR 522,000     | Bank of America N.A.            | 4/21/15         | 14,739                                 |
| USD 108,439        | EUR 95,000      | Bank of America N.A.            | 4/21/15         | 2,068                                  |
| USD 466,013        | EUR 409,000     | Barclays Bank PLC               | 4/21/15         | 8,059                                  |
| USD 115,928,532    | EUR 100,458,000 | Citibank N.A.                   | 4/21/15         | 3,446,479                              |
| USD 2,435,304      | EUR 2,170,000   | Citibank N.A.                   | 4/21/15         | 5,572                                  |
| USD 232,135        | EUR 199,600     | Deutsche Bank AG                | 4/21/15         | 8,645                                  |
| USD 1,611,041      | EUR 1,410,000   | Deutsche Bank AG                | 4/21/15         | 32,275                                 |
| USD 2,031,522      | EUR 1,789,000   | Goldman Sachs International     | 4/21/15         | 28,392                                 |
| USD 397,344        | EUR 346,000     | Goldman Sachs International     | 4/21/15         | 9,930                                  |
| USD 2,430,316      | EUR 2,144,800   | Goldman Sachs International     | 4/21/15         | 28,800                                 |
| USD 464,684        | EUR 406,800     | Goldman Sachs International     | 4/21/15         | 9,193                                  |
| USD 208,594        | EUR 183,000     | Goldman Sachs International     | 4/21/15         | 3,690                                  |
| USD 76,526         | EUR 67,000      | Goldman Sachs International     | 4/21/15         | 1,506                                  |
| USD 905,233        | EUR 794,000     | Goldman Sachs International     | 4/21/15         | 16,197                                 |
| USD 206,473        | EUR 183,000     | State Street Bank and Trust Co. | 4/21/15         | 1,569                                  |
| USD 447,100        | EUR 394,000     | State Street Bank and Trust Co. | 4/21/15         | 5,942                                  |
| USD 56,813,205     | GBP 37,453,000  | Bank of America N.A.            | 4/21/15         | (989,162 )                             |
| USD 362,020        | GBP 238,000     | State Street Bank and Trust Co. | 4/21/15         | (5,293 )                               |
| USD 596,268        | GBP 395,000     | State Street Bank and Trust Co. | 4/21/15         | (13,347 )                              |
| <b>Total</b>       |                 |                                 |                 | <b>\$4,916,783</b>                     |

As of February 28, 2015, OTC options purchased were as follows:

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

As of February 28, 2015, OTC credit default swaps sold protection outstanding were as follows:

| Counterparty | Value |
|--------------|-------|
|--------------|-------|



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|                    | <b>Receive<br/>Fixed<br/>Rate</b> |                        | <b>Expiration<br/>Date</b> | <b>Credit<br/>Rating<sup>1</sup></b> | <b>Notional<br/>Amount<br/>(000)<sup>2</sup></b> |             | <b>Premiums<br/>Received</b> | <b>U<br/>A</b> |
|--------------------|-----------------------------------|------------------------|----------------------------|--------------------------------------|--|-------------|------------------------------|----------------|
| ings LLC           | 8.00%                             | Deutsche Bank AG       | 9/20/17                    | BB-                                  | USD 8,180  | \$1,365,336 |                              | \$             |
| mmunications, Inc. | 5.00%                             | Goldman Sachs Bank USA | 6/20/19                    | B                                    | USD5,000   | 724,620     | \$(330,868)                  | \$             |
|                    |                                   |                        |                            |                                      |  | \$2,089,956 | \$(330,868)                  | \$             |

<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.

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

See Notes to Financial Statements.

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**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. 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. 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. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices 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)

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. As of February 28, 2015, the following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

|                                       | Level 1               | Level 2                | Level 3               | Total                  |
|---------------------------------------|-----------------------|------------------------|-----------------------|------------------------|
| <b>Assets:</b>                        |                       |                        |                       |                        |
| Investments:                          |                       |                        |                       |                        |
| Long-Term Investments:                |                       |                        |                       |                        |
| Common Stocks                         | \$ 101,930,623        | \$ 33,968,232          | \$ 21,060,324         | \$ 156,959,179         |
| Asset-Backed Securities               |                       | 40,521,978             | 8,967,621             | 49,489,599             |
| Corporate Bonds                       |                       | 1,668,649,758          | 25,022,913            | 1,693,672,671          |
| Floating Rate Loan Interests          |                       | 218,380,330            | 28,380,334            | 246,760,664            |
| Non-Agency Mortgage-Backed Securities |                       | 3,899,074              | 1,773,913             | 5,672,987              |
| Other Interests                       |                       | 501                    | 10,978                | 11,479                 |
| Preferred Securities                  | 18,546,608            | 64,347,381             | 27,341,934            | 110,235,923            |
| Investment Companies                  | 45,702,238            |                        |                       | 45,702,238             |
| Warrants                              | 62,705                |                        | 65,689                | 128,394                |
| <b>Total</b>                          | <b>\$ 166,242,174</b> | <b>\$2,029,767,254</b> | <b>\$ 112,623,706</b> | <b>\$2,308,633,134</b> |

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|   | Level 1        | Level 2      | Level 3 | Total          |
|---|----------------|--------------|---------|----------------|
| Derivative Financial Instruments <sup>1</sup> |                |              |         |                |
| <b>Assets:</b>                                |                |              |         |                |
| Credit contracts                              |                | \$ 2,420,824 |         | \$ 2,420,824   |
| Forward foreign currency contracts            |                | 5,970,207    |         | 5,970,207      |
| <b>Liabilities:</b>                           |                |              |         |                |
| Equity contracts                              | \$ (9,341,164) |              |         | (9,341,164)    |
| Forward foreign currency contracts            |                | (1,053,424)  |         | (1,053,424)    |
| <b>Total</b>                                  | \$ (9,341,164) | \$ 7,337,607 |         | \$ (2,003,557) |

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

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of February 28, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|   | Level 1      | Level 2          | Level 3 | Total            |
|---|--------------|------------------|---------|------------------|
| <b>Assets:</b>                                  |              |                  |         |                  |
| Cash  | \$ 1,560,398 |                  |         | \$ 1,560,398     |
| Cash pledged for financial futures contracts    | 7,858,000    |                  |         | 7,858,000        |
| Foreign currency at value                       | 38,563       |                  |         | 38,563           |
| <b>Liabilities:</b>                             |              |                  |         |                  |
| Cash received as collateral for OTC derivatives |              | \$ (2,200,000)   |         | (2,200,000)      |
| Bank borrowings payable                         |              | (719,000,000)    |         | (719,000,000)    |
| <b>Total</b>                                    | \$ 9,456,961 | \$ (721,200,000) |         | \$ (711,743,039) |

During the six months ended February 28, 2015, there were no transfers between Level 1 and Level 2. See Notes to Financial Statements.

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

## Consolidated 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-<br>Backed<br>Securities | Corporate<br>Bonds | Floating<br>Rate Loan<br>Interests | Non-Agency<br>Mortgage-<br>Backed<br>Securities | Other<br>Interests | Preferred<br>Securities | Warrants   | Total          |
|--|------------------|--------------------------------|--------------------|------------------------------------|---|--------------------|-------------------------|------------|----------------|
| Balance, as of   |                  |                                |                    |                                    |   |                    |                         |            |                |
| 2014   | \$56,896,277     | \$6,775,056                    | \$29,135,018       | \$38,229,343                       |   | \$10,978           | \$1,011,134             | \$4,857    | \$132,043,655  |
| Transferred into Level 3   | 115,218          |                                |                    | 8,066,342                          |   |                    |                         | 118,682    | 8,300,302      |
| Transferred out of Level 3 <sup>1</sup>  | (16,930,672)     | (5,215,581)                    |                    | (11,612,029)                       |   |                    |                         |            | (33,758,282)   |
| Net change in unrealized appreciation/depreciation   |                  |                                |                    |                                    |   |                    |                         |            |                |
| Premiums   |                  | 2,580                          | (7,879)            | 139,205                            | \$419   |                    |                         |            | 133,225        |
| Net gain (loss)  |                  | (8,430)                        | (10,305,195)       | 131,067                            |   |                    |                         |            | (10,182,558)   |
| Net change in unrealized appreciation/depreciation on investments still held at February 28, 2015 <sup>2,3</sup> | (19,020,499)     | 5,016                          | 9,903,019          | (1,416,728)                        | 6,833   |                    | 8,036,633               | (57,850)   | (2,443,586)    |
| Balance, as of   |                  |                                |                    |                                    |   |                    |                         |            |                |
| February 28, 2015  | \$21,060,324     | \$8,967,621                    | \$25,022,913       | \$28,380,334                       | \$1,773,913                                     | \$10,978           | \$27,341,934            | \$65,689   | \$112,583,726  |
| Net change in unrealized appreciation/depreciation on investments still held at February 28, 2015 <sup>3</sup>   | \$(19,020,499)   | \$4,966                        | \$(2,345,424)      | \$(1,408,689)                      | \$6,833   |                    | \$8,036,633             | \$(57,850) | \$(14,724,030) |

As of August 31, 2014, the Trust used significant unobservable inputs in determining the value of certain investments. As of February 28, 2015, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$33,758,282 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 Consolidated Statement 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, 2015 is generally due to investments no longer held or categorized as Level 3 at period end.

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 and derivative financial instruments as of February 28, 2015. The table does not include Level 3 investments and derivative financial instruments with values based upon unadjusted third party pricing information. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments and derivative financial instruments. The value of Level 3 investments and derivative financial instruments derived using third party pricing information is \$66,474,788.

|                              | Value               | Valuation Techniques        | Unobservable Inputs  | Range of Unobservable Inputs Utilized                         |
|------------------------------|---------------------|-----------------------------|--|---|
| <b>Assets:</b>               |                     |                             |  |   |
| Common Stocks                | \$4,776,834         | Market Comparable Companies | 2P (Proved and Probable) Reserves<br>+2C (Contingent) Resources<br>Multiple <sup>5</sup><br>PV-10 Multiple <sup>5,6</sup><br>Merger Value <sup>5</sup>                   | CAD <sup>8</sup><br>\$0.22x-\$0.24x<br>0.09x-0.11x<br>\$15.44 |
|                              | 14,720,203          | Market Comparable Companies |  |   |
|                              | 1,563,279           | Market Comparable Companies | Last 12 Months EBITDA<br>Multiple <sup>5</sup><br>Current Fiscal Year EBITDA<br>Multiple <sup>5</sup><br>Discontinued Operations<br>Expected Sales Proceeds <sup>5</sup> | 3.88x-4.63x<br>3.88x-4.63x<br>\$60 <sup>9</sup>               |
| Corporate Bonds <sup>4</sup> | 22,916,789          | Discounted Cash Flow        | Internal Rate of Return <sup>7</sup>   | 10.00%  |
|                              | 2,106,124           | Par                         | Call Price <sup>5</sup>  |   |
| Warrants                     | 4,858               | Estimated Recovery Value    | Distribution Rate <sup>7</sup>   | \$0.0541  |
|                              | 34,652              | Last Dealer Mark Adjusted   | Delta Adjustment Based on Daily Movement in the Common Equity <sup>5</sup>   | 120.00%   |
|                              | 26,179              | Black-Scholes               | Implied Volatility <sup>5</sup>  | 75.718%   |
| <b>Total</b>                 | <b>\$46,148,918</b> |                             |  |   |

For the period ended February 28, 2015, the valuation technique for certain investments classified as corporate bonds<sup>4</sup> changed to using an income approach. These investments were previously valued using cost. The income approach is considered to be a more relevant measure of fair value for these investments.

<sup>5</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>6</sup> Present value of estimated future oil and gas revenues, net of estimated direct expenses discounted at an annual discount rate of 10%.

<sup>7</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>8</sup> Canadian Dollar.

<sup>9</sup> Amount is stated in millions.

See Notes to Financial Statements.

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

Schedule of Investments February 28, 2015 (Unaudited)

|   | <b>Par<br/>(000)</b> | <b>Value</b>     |
|---|----------------------|------------------|
| <b>Asset-Backed Securities</b>  |                      |                  |
| <b>Asset-Backed Securities 0.6%</b>   |                      |                  |
| First Franklin Mortgage Loan Trust, Series 2005-FF02, Class M2, 0.83%,<br>3/25/35 (a)                   | \$1,023              | \$ 1,022,817     |
| Securitized Asset Backed Receivables LLC Trust, Series 2005-OP2, Class M1,<br>0.60%, 10/25/35 (a)       | 1,875                | 1,638,039        |
| Small Business Administration Participation Certificates, Class 1:                                      |                      |                  |
| Series 1996-20E, 7.60%, 5/01/16   | 31                   | 32,285           |
| Series 1996-20G, 7.70%, 7/01/16   | 31                   | 31,635           |
| Series 1996-20H, 7.25%, 8/01/16   | 34                   | 34,698           |
| Series 1996-20K, 6.95%, 11/01/16  | 91                   | 94,526           |
| Series 1997-20C, 7.15%, 3/01/17   | 43                   | 44,475           |
|   |                      | 2,898,475        |
| <b>Interest Only Asset-Backed Securities 0.1%</b>   |                      |                  |
| Small Business Administration, Series 2000-1, 1.00%, 4/01/15  | 521                  | 4,559            |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (b)                                      | 2,399                | 164,901          |
| Sterling Coofs Trust, Series 2004-1, Class A, 2.36%, 4/15/29 (b)  | 5,889                | 395,693          |
|   |                      | 565,153          |
| <b>Total Asset-Backed Securities 0.7%</b>   |                      | <b>3,463,628</b> |
| <hr/>   |                      |                  |
| <b>Non-Agency Mortgage-Backed Securities</b>  |                      |                  |
| <b>Collateralized Mortgage Obligations 0.9%</b>   |                      |                  |
| Collateralized Mortgage Obligation Trust, Series 40, Class R, 580.47%, 4/01/18                          | 25                   | 25               |
| Deutsche Securities, Inc. Mortgage Alternate Loan Trust, Series 2006-AR5,<br>Class 22A, 5.50%, 10/25/21 | 379                  | 364,448          |
| Homebanc Mortgage Trust, Series 2005-4, Class A1, 0.44%, 10/25/35 (a)                                   | 2,269                | 2,014,255        |
| Kidder Peabody Acceptance Corp., Series 1993-1, Class A6, 16.30%, 8/25/23<br>(a)                        | 42                   | 47,103           |
| Residential Funding Securities LLC, Series 2003-RM2, Class A15, 8.50%,<br>5/25/33                       | 591                  | 613,526          |
| Structured Adjustable Rate Mortgage Loan Trust, Series 2004-11, Class A,<br>2.52%, 8/25/34 (a)          | 957                  | 959,251          |
|   |                      | 3,998,608        |
| <b>Commercial Mortgage-Backed Securities 0.6%</b>   |                      |                  |
| Credit Suisse Commercial Mortgage Trust, Series 2007-C2, Class A3, 5.54%,<br>1/15/49 (a)                | 2,420                | 2,583,744        |
| <b>Interest Only Collateralized Mortgage Obligations 0.6%</b>   |                      |                  |
| Bank of America Mortgage Securities, Inc., Series 2003-3, Class 1A, 0.00%,<br>5/25/33 (a)               | 24,334               | 172,041          |
| CitiMortgage Alternative Loan Trust, Series 2007-A5, Class 1A7, 6.00%,<br>5/25/37                       | 594                  | 157,770          |
| First Boston Mortgage Securities Corp., Series C, 10.97%, 4/25/17                                       | 3                    | 108              |
| GSMPs Mortgage Loan Trust, Series 1998-5, 0.00%, 6/19/27 (a)(b)   | 2,728                | 27               |
| IndyMac INDX Mortgage Loan Trust, Series 2006-AR33, Class 4AX, 0.17%,<br>1/25/37                        | 61,014               | 135,390          |
| MASTR Adjustable Rate Mortgages Trust, Series 2004-3, Class 3AX, 0.48%,                                 | 6,815                | 102,221          |

|  |                  |              |
|--|------------------|--------------|
| 4/25/34 (c)  |                  |              |
| MASTR Alternative Loans Trust, Series 2003-9, Class 15X2, 6.00%, 1/25/19                                       | 206              | 23,885       |
| Morgan Stanley Mortgage Loan Trust, Series 2004-3, Class 1AX, 5.00%,<br>5/25/19                                | 193              | 12,264       |
| <b>Non-Agency Mortgage-Backed Securities</b>   | <b>Par (000)</b> | <b>Value</b> |
| <b>Interest Only Collateralized Mortgage Obligations (concluded)</b>   |                  |              |
| Sequoia Mortgage Trust, Series 2005-2, Class XA, 1.07%, 3/20/35 (a)  | \$ 31,451        | \$ 864,912   |
| Structured Adjustable Rate Mortgage Loan Trust, Series 2006-7, Class 3AS, 4.54%, 8/25/36 (a)                   | 15,162           | 1,364,579    |
| Vendee Mortgage Trust, Series 1999-2, Class 1, 0.00%, 5/15/29 (a)  | 34,610           | 4            |
|  |                  | 2,833,201    |
| <b>Principal Only Collateralized Mortgage Obligations 0.1%</b>   |                  |              |
| Countrywide Home Loan Mortgage Pass-Through Trust (d):   |                  |              |
| Series 2003-J5, 0.00%, 7/25/33   | 187              | 170,493      |
| Series 2003-J8, 0.00%, 9/25/23   | 114              | 106,813      |
| Drexel Burnham Lambert CMO Trust, Class 1 (d):   |                  |              |
| Series K, 0.00%, 9/23/17   | 2                | 1,507        |
| Series V, 0.00%, 9/01/18   | 2                | 1,592        |
| Residential Asset Securitization Trust, Series 2005-A15, Class 1A8, 0.00%, 2/25/36 (d)                         | 473              | 318,788      |
| Structured Mortgage Asset Residential Trust, Series 1993-3C, Class CX, 0.00%, 4/25/24 (d)                      | 6                | 5,076        |
| Washington Mutual Alternative Mortgage Pass-Through Certificates, Series 2005-9, Class CP, 0.00%, 11/25/35 (d) | 199              | 142,601      |
|  |                  | 746,870      |
| <b>Total Non-Agency Mortgage-Backed Securities 2.2%</b>  |                  | 10,162,423   |

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

**Agency Obligations 2.6%**

Federal Housing Administration:

USGI Projects, Series 99, 7.43%,  
6/01/21 10/01/23

3,334 3,230,484

Reilly Projects, Series 41, 8.28%, 3/01/20

51 50,584

Resolution Funding Corp., 0.00%, 4/15/30 (d)

13,000 8,415,446

11,696,514

**Collateralized Mortgage Obligations 63.9%**

Fannie Mae Mortgage-Backed Securities:

Series 2014-28, Class BD, 3.50%, 1/25/42 8/25/43

23,787 25,173,042

Series 2011-117, Class CP, 4.00%,  
12/25/40 11/25/41

17,410 19,514,317

Series 2011-99, Class CB, 4.50%, 10/25/41

43,000 48,362,487

Series 2010-47, Class JB, 5.00%, 5/25/30

10,000 11,244,540

Series 2003-135, Class PB, 6.00%, 1/25/34

12,264 13,481,754

Series 2004-31, Class ZG, 7.50%, 5/25/34

4,120 4,845,395

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|   |       |           |
|---|-------|-----------|
| Series 1993-247, Class SN, 10.00%, 12/25/23 (a) | 171   | 210,777   |
| Series 2005-73, Class DS, 17.11%, 8/25/35 (a)   | 1,215 | 1,505,526 |
| Series 1991-87, Class S, 26.23%, 8/25/21 (a)    | 18    | 26,284    |
| Series G-49, Class S, 1,017.02%, 12/25/21 (a)   | (e)   | 454       |
| Series G-17, Class S, 1,063.28%, 6/25/21 (a)    | 83    | 1,209     |
| Series G-33, Class PV, 1,078.42%, 10/25/21      | 83    | 591       |
| Series G-07, Class S, 1,125.28%, 3/25/21 (a)    | (e)   | 1,505     |
| Series 1991-46, Class S, 2,479.84%, 5/25/21 (a) | 50    | 3,071     |

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>U.S. Government Sponsored Agency Securities</b>       | <b>Par (000)</b> | <b>Value</b> |
|--|------------------|--------------|
| <b>Collateralized Mortgage Obligations (concluded)</b>   |                  |              |
| Freddie Mac Mortgage-Backed Securities:                  |                  |              |
| Series T-11, Class A9, 3.06%, 1/25/28 (a)                | \$1,247          | \$1,300,955  |
| Series 4242, Class PA, 3.50%, 5/15/41                    | 8,437            | 8,819,157    |
| Series 4016, Class BX, 4.00%,<br>11/15/40 9/15/41        | 26,292           | 28,651,586   |
| Series 4316, Class VB, 4.50%,<br>8/15/32 3/15/34         | 20,787           | 22,977,941   |
| Series 3856, Class PB, 5.00%, 5/15/41                    | 10,000           | 11,814,690   |
| Series 2927, Class BZ, 5.50%,<br>5/15/23 2/15/35         | 10,828           | 11,812,773   |
| Series 2542, Class UC, 6.00%, 12/15/22                   | 2,881            | 3,162,634    |
| Series 0040, Class K, 6.50%, 8/17/24                     | 165              | 188,659      |
| Series 2218, Class Z, 8.50%,<br>3/15/20 3/15/30          | 2,805            | 3,266,468    |
| Series 0173, Class R, 9.00%, 11/15/21                    | 5                | 5            |
| Series 0075, Class R, 9.50%, 1/15/21                     | (e)              | 1            |
| Series 0173, Class RS, 9.64%, 11/15/21 (a)               | (e)              | 5            |
| Series 2861, Class AX, 10.54%, 9/15/34 (a)               | 33               | 34,767       |
| Series 1160, Class F, 39.42%, 10/15/21 (a)               | 8                | 13,762       |
| Series 0075, Class RS, 57.62%, 1/15/21 (a)               | (e)              | 1            |
| Series 1057, Class J, 1,008.00%, 3/15/21                 | 39               | 419          |
| Series 0192, Class U, 1,009.03%, 2/15/22 (a)             | 1                | 25           |
| Series 0019, Class R, 16,296.05%, 3/15/20 (a)            | 2                | 384          |
| Ginnie Mae Mortgage-Backed Securities:                   |                  |              |
| Series 2010-099, Class JM, 3.75%, 12/20/38               | 19,300           | 20,131,058   |
| Series 2011-88, Class PY, 4.00%,<br>1/20/39 6/20/41      | 51,891           | 55,468,270   |
| Series 2004-89, Class PE, 6.00%, 10/20/34                | 452              | 475,695      |
| Series 1996-5, Class Z, 7.00%, 5/16/26                   | 277              | 309,715      |
|  |                  | 292,799,922  |
| <b>Interest Only Collateralized Mortgage Obligations</b> | <b>3.4%</b>      |              |
| Fannie Mae Mortgage-Backed Securities:                   |                  |              |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (a)             | 158              | 5,334        |
| Series G92-60, Class SB, 1.60%, 10/25/22 (a)             | 96               | 3,510        |
| Series 2013-45, Class EI, 4.00%,<br>2/25/27 4/25/43      | 21,700           | 2,953,366    |
| Series 2010-74, Class DI, 5.00%, 12/25/39                | 10,515           | 700,861      |
| Series 1997-90, Class M, 6.00%, 1/25/28                  | 2,290            | 381,391      |
| Series 1999-W4, 6.50%, 12/25/28                          | 162              | 21,716       |
| Series 2011-124, Class GS, 6.53%, 3/25/37 (a)            | 14,795           | 1,896,027    |
| Series 1993-199, Class SB, 7.33%, 10/25/23 (a)           | 157              | 10,993       |
| Series 089, Class 2, 8.00%, 10/25/18                     | 2                | 132          |
| Series 007, Class 2, 8.50%, 4/25/17                      | 1                | 90           |
| Series G92-05, Class H, 9.00%, 1/25/22                   | 19               | 1,403        |
| Series 094, Class 2, 9.50%, 8/25/21                      | 1                | 207          |

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|  |       |       |
|--|-------|-------|
| Series 1990-136, Class S, 19.91%, 11/25/20 (a) | 5,733 | 7,854 |
| Series 1991-139, Class PT, 648.35%, 10/25/21   | 103   | 875   |
| Series 1991-099, Class L, 930.00%, 8/25/21     | 45    | 453   |
| Series 1990-123, Class M, 1,009.50%, 10/25/20  | 9     | 98    |

**U.S. Government Sponsored**

**Agency Securities**

**Interest Only Collateralized Mortgage Obligations (concluded)**

Fannie Mae Mortgage-Backed Securities (concluded):

Series G92-12, Class C, 1,016.90%, 2/25/22

\$ 81 \$ 600

Series G-10, Class S, 1,088.62%, 5/25/21 (a)

238 5,255

Series G-12, Class S, 1,155.63%, 5/25/21 (a)

158 2,943

Freddie Mac Mortgage-Backed Securities:

Series 2559, 0.50%, 8/15/30 (a)

67 712

Series 3744, Class PI, 4.00%,  
1/15/35 6/15/39

37,868 3,384,308

Series 4026, 4.50%, 4/15/32

4,711 673,996

Series 2611, Class QI, 5.50%, 9/15/32

1,207 98,295

Series 1043, Class H, 44.22%, 2/15/21 (a)

4,740 8,929

Series 1054, Class I, 866.21%, 3/15/21 (a)

36 665

Series 0176, Class M, 1,010.00%, 7/15/21

15 332

Series 1056, Class KD, 1,084.50%, 3/15/21

25 320

Series 1148, Class E, 1,176.28%, 10/15/21 (a)

64 1,147

Series 0200, Class R, 197,660.56%, 12/15/22 (a)

(e) 600

Ginnie Mae Mortgage-Backed Securities (a):

Series 2009-116, Class KS, 6.30%, 12/16/39

2,331 299,639

Series 2011-52, Class MJ, 6.48%, 4/20/41

13,947 2,487,206

Series 2011-52, Class NS, 6.50%, 4/16/41

15,599 2,734,306  
15,683,563

**Mortgage-Backed Securities 79.4%**

Fannie Mae Mortgage-Backed Securities:

3.00%, 1/01/43 (f)

27,641 28,229,821

3.50%, 10/01/42 3/01/45 (f) (g)

33,784 35,444,755

4.00%, 1/01/41 9/01/42 (f)

31,185 33,461,821

4.50%, 8/01/25 3/01/45 (f)(g)

90,815 99,621,589

5.00%, 1/01/23 10/01/41 (f)

58,139 64,979,649

5.50%, 4/01/15 10/01/39 (f)(g)

34,338 38,132,571

5.97%, 8/01/16

2,908 3,068,883

6.00%, 3/01/45 4/01/45 (g)

43,600 49,486,000

6.50%, 12/01/37 10/01/39

9,188 10,507,633

7.50%, 2/01/22

(e) 56

9.50%, 1/01/19 9/01/19

2 1,692

Freddie Mac Mortgage-Backed Securities:

2.48%, 1/01/35 (a)

180 184,388

2.55%, 10/01/34 (a)

197 202,200

3.14%, 11/01/17 (a)

1 1,277

5.00%, 2/01/22 4/01/22

282 303,735

9.00%, 9/01/20

15 16,198

Ginnie Mae Mortgage-Backed Securities:

7.50%, 8/15/21 12/15/23

112 118,740

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|  |     |             |
|--|-----|-------------|
| 8.00%, 10/15/22 8/15/27  | 50  | 53,361      |
| 9.00%, 4/15/20 9/15/21   | 3   | 3,156       |
|  |     | 363,817,525 |
| <b>Principal Only Collateralized Mortgage Obligations 0.2%</b>       |     |             |
| Fannie Mae Mortgage-Backed Securities (d):                           |     |             |
| Series 1999-W4, 0.00%, 2/25/29                                       | 91  | 83,330      |
| Series 2002-13, Class PR, 0.00%, 2/25/21 3/25/32                     | 313 | 294,532     |
| Freddie Mac Mortgage-Backed Securities, 0.00%, 11/15/22 11/15/28 (d) | 730 | 697,099     |
|  |     | 1,074,961   |
| <b>Total U.S. Government Sponsored Agency Securities 149.5%</b>      |     | 685,072,485 |

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>U.S. Treasury Obligations</b>   |                      |               |
| U.S. Treasury Notes:   |                      |               |
| 1.00%, 11/30/19 (f)  | \$2,965              | \$ 2,898,981  |
| 1.38%, 2/29/20 (h)   | 4,405                | 4,378,156     |
| 1.63%, 11/15/22  | 780                  | 766,655       |
| 2.00%, 2/15/25   | 2,990                | 2,989,534     |
| <b>Total U.S. Treasury Obligations 2.4%</b>  |                      | 11,033,326    |
| <b>Total Long-Term Investments<br/>(Cost \$703,005,169) 154.8%</b>   |                      | 709,731,862   |
| <hr/>  |                      |               |
| <b>Short-Term Securities</b>   |                      |               |
| <b>Money Market Funds 0.5%</b>   |                      |               |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.05% (i)(j)   | 2,249,337            | 2,249,337     |
| <b>Borrowed Bond Agreement 0.2%</b>  |                      |               |
| Credit Suisse Securities (USA) LLC, 0.16%, Open (Purchased on 12/18/14 to be repurchased at \$918,294, collateralized by a U.S. Treasury Bond, 2.75%, 11/15/42, par and fair value of \$917,000 and \$942,862, respectively) | \$918                | 918,000       |
| <b>Total Short-Term Securities<br/>(Cost \$3,167,337) 0.7%</b>   |                      | 3,167,337     |
| <hr/>  |                      |               |
| <b>Short-Term Securities</b>   |                      |               |
| <b>Total Investments Before Borrowed Bonds and TBA Sale Commitments<br/>(Cost \$706,172,506) 155.5%</b>  |                      | \$712,899,199 |
| <hr/>  |                      |               |
| <b>Borrowed Bonds</b>  |                      |               |
| U.S. Treasury Bonds, 2.75%, 11/15/42   | \$917                | (942,862 )    |
| <b>Total Borrowed Bonds<br/>(Proceeds \$842,347) (0.2)%</b>  |                      | (942,862 )    |
| <hr/>  |                      |               |
| <b>TBA Sale Commitments</b>  |                      |               |
| Fannie Mae Mortgage-Backed Securities (g):   |                      |               |
| 4.50%, 3/01/30   | 4,400                | (4,611,240 )  |
| 5.00%, 3/01/30 3/12/45   | 13,200               | (14,623,582 ) |
| 6.00%, 3/01/45   | 21,800               | (24,756,625 ) |
| <b>Total TBA Sale Commitments<br/>(Proceeds \$43,906,457) (9.6)%</b>   |                      | (43,991,447 ) |
| <b>Total Investments, Net of Borrowed Bonds and TBA Sale Commitments (Cost<br/>\$661,423,702) 145.7%</b>   |                      | 667,964,890   |
| <b>Liabilities in Excess of Other Assets (45.7)%</b>   |                      | (209,654,313) |
| <b>Net Assets 100.0%</b>   |                      | \$458,310,577 |

**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-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.
- (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, 2015 were as follows:

| <b>Counterparty</b>                | <b>Value</b>   | <b>Unrealized<br/>Appreciation/<br/>Depreciation</b> |
|------------------------------------|----------------|--|
| Bank of America Securities LLC     | \$ 4,401,715   | \$ 3,527   |
| Barclays Bank PLC                  | \$ (1,885,539) | \$ (9,363)   |
| Credit Suisse Securities (USA) LLC | \$ (7,594,121) | \$ (53,918)  |
| Deutsche Bank Securities, Inc.     | \$ 1,056,659   | \$ 1,386   |
| Goldman Sachs & Co.                | \$25,694,692   | \$111,145  |
| JPMorgan Securities, Inc.          | \$ (554,570)   | \$ (1,680)   |

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

| <b>Counterparty</b>            | <b>Value</b> | <b>Unrealized<br/>Depreciation</b> |
|--------------------------------|--------------|------------------------------------|
| Goldman Sachs & Co.            | \$1,192,687  | \$ (307 )                          |
| Deutsche Bank Securities, Inc. | \$745,430    | \$ (192 )                          |

- (i) Represents the current yield as of report date.
- (j) During the period ended February 28, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of 1940 Act were as follows:

| <b>Affiliate</b>   | <b>Shares<br/>Held at<br/>August 31, Net<br/>2014</b> | <b>Activity</b> | <b>Shares<br/>Held at<br/>February<br/>28, 2015</b> | <b>Income</b> |
|--|---|-----------------|---|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class<br>See Notes to Financial Statements. | 8,012,499   | (5,763,162)     | 2,249,337   | \$2,829       |

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (continued)

As of February 28, 2015, reverse repurchase agreements outstanding were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value           | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|----------------------------|----------------------|---------------------------------------|
| BNP Paribas Securities Corp.       | 0.12%         | 7/07/14    | Open                       | \$2,831,575          | \$2,833,246                           |
| Credit Suisse Securities (USA) LLC | 0.20%         | 9/17/14    | Open                       | 16,380,000           | 16,389,009                            |
| Credit Suisse Securities (USA) LLC | 0.22%         | 2/11/15    | 3/12/15                    | 94,499,000           | 94,508,817                            |
| Bank of Montreal                   | 0.25%         | 2/11/15    | 4/14/15                    | 74,906,000           | 74,914,843                            |
| <b>Total</b>                       |               |            |                            | <b>\$188,616,575</b> | <b>\$188,645,915</b>                  |

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

As of February 28, 2015, financial futures contracts outstanding were as follows:

| Contracts Long/(Short) | Issue                         | Exchange               | Expiration    | Notional Value | Unrealized Appreciation (Depreciation) |
|------------------------|-------------------------------|------------------------|---------------|----------------|--|
| (41)                   | 90-Day Euro-Dollar            | Chicago Mercantile     | March 2015    | \$10,222,837   | \$(52,984 )                            |
| (593)                  | Long U.S. Treasury Bond       | Chicago Board of Trade | June 2015     | \$95,973,344   | (524,413)                              |
| (364)                  | 2-Year U.S. Treasury Note     | Chicago Board of Trade | June 2015     | \$79,562,438   | (71,263 )                              |
| (159)                  | 10-Year U.S. Treasury Note    | Chicago Board of Trade | June 2015     | \$20,319,703   | (33,501 )                              |
| (47)                   | 5-Year U.S. Treasury Note     | Chicago Board of Trade | June 2015     | \$ 5,606,219   | (6,187 )                               |
| (12)                   | 90-Day Euro-Dollar            | Chicago Mercantile     | June 2015     | \$ 2,988,750   | (7,073 )                               |
| (12)                   | 90-Day Euro-Dollar            | Chicago Mercantile     | December 2015 | \$ 2,976,900   | (1,823 )                               |
| (12)                   | 90-Day Euro-Dollar            | Chicago Mercantile     | March 2016    | \$ 2,970,300   | 802                                    |
| 114                    | Ultra Long U.S. Treasury Bond | Chicago Board of Trade | June 2015     | \$19,184,063   | 159,130                                |
| <b>Total</b>           |                               |                        |               |                | <b>\$(537,312)</b>                     |

As of February 28, 2015, centrally cleared interest rate swaps outstanding were as follows:

| Fixed Rate         | Floating Rate | Clearinghouse      | Expiration Date | Notional Amount (000) | Unrealized Appreciation |
|--------------------|---------------|--------------------|-----------------|-----------------------|-------------------------|
| 0.46% <sup>2</sup> | 3-month LIBOR | Chicago Mercantile | 6/11/15         | \$100                 | \$53                    |

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

As of February 28, 2015, OTC interest rate swaps outstanding were as follows:

| Fixed Rate         | Floating Rate | Counterparty           | Expiration Date | Notional Amount (000) | Value    | Premiums Received | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|------------------------|-----------------|-----------------------|----------|-------------------|--|
| 4.88% <sup>3</sup> | 3-month LIBOR | UBS AG                 | 3/21/15         | \$25,000              | \$57,713 |                   | \$57,713                               |
| 4.87% <sup>3</sup> | 3-month LIBOR | Goldman Sachs Bank USA | 1/25/16         | \$5,500               | 218,571  |                   | 218,571                                |

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|                    |               |                          |          |          |             |             |             |
|--------------------|---------------|--------------------------|----------|----------|-------------|-------------|-------------|
| 2.81% <sup>3</sup> | 3-month LIBOR | Citibank N.A.            | 2/06/16  | \$20,000 | 439,995     |             | 439,995     |
| 5.72% <sup>3</sup> | 3-month LIBOR | JPMorgan Chase Bank N.A. | 7/14/16  | \$5,400  | 375,306     |             | 375,306     |
| 4.31% <sup>4</sup> | 3-month LIBOR | Deutsche Bank AG         | 10/01/18 | \$60,000 | (6,210,250) |             | (6,210,250) |
| 3.43% <sup>3</sup> | 3-month LIBOR | JPMorgan Chase Bank N.A. | 3/28/21  | \$6,000  | 564,347     | \$(170,092) | 734,439     |
| 5.41% <sup>3</sup> | 3-month LIBOR | JPMorgan Chase Bank N.A. | 8/15/22  | \$9,565  | 2,322,138   |             | 2,322,138   |

**Total** \$(2,232,180) \$ (170,092) \$(2,062,088)

3 Trust pays the floating rate and receives the fixed rate.

4 Trust pays the fixed rate and receives the floating rate.

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

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (continued)

**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. 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. 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. The three levels of the fair value hierarchy are as follows:

**Level 1** unadjusted quoted prices 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)

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 following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2015:

|                            | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|----------------------------|----------------|----------------|----------------|--------------|
| <b>Assets:</b>             |                |                |                |              |
| Investments:               |                |                |                |              |
| Long-Term Investments:     |                |                |                |              |
| Asset-Backed Securities    |                | \$ 2,898,475   | \$ 565,153     | \$ 3,463,628 |
| Non-Agency                 |                |                |                |              |
| Mortgage-Backed Securities |                | 7,830,686      | 2,331,737      | 10,162,423   |
| U.S. Government Sponsored  |                |                |                |              |
| Agency Securities          |                | 681,790,421    | 3,282,064      | 685,072,485  |
| U.S. Treasury Obligations  |                | 11,033,326     |                | 11,033,326   |
| Short-Term Securities:     |                |                |                |              |
| Money Market Funds         | \$ 2,249,337   |                |                | 2,249,337    |
| Borrowed Bond Agreement    |                | 918,000        |                | 918,000      |



**Liabilities:**

Investments:

|                      |              |                |              |                |
|----------------------|--------------|----------------|--------------|----------------|
| Borrowed Bonds       |              | (942,862)      |              | (942,862)      |
| TBA Sale Commitments |              | (43,991,447)   |              | (43,991,447)   |
| <b>Total</b>         | \$ 2,249,337 | \$ 659,536,599 | \$ 6,178,954 | \$ 667,964,890 |

|   | Level 1      | Level 2        | Level 3 | Total          |
|---|--------------|----------------|---------|----------------|
| Derivative Financial Instruments <sup>1</sup> |              |                |         |                |
| <b>Assets:</b>                                |              |                |         |                |
| Interest rate contracts                       | \$ 159,932   | \$ 4,148,215   |         | \$ 4,308,147   |
| <b>Liabilities:</b>                           |              |                |         |                |
| Interest rate contracts                       | (697,244)    | (6,210,250)    |         | (6,907,494)    |
| <b>Total</b>                                  | \$ (537,312) | \$ (2,062,035) |         | \$ (2,599,347) |

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

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount or face amount, including accrued interest, for financial statement purposes. As of February 28, 2015, 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 for financial futures contracts    | \$ 1,954,000 |                  |         | \$ 1,954,000     |
| Cash pledged as collateral for OTC derivatives  | 7,100,000    |                  |         | 7,100,000        |
| Cash pledged for centrally cleared swaps        | 10,000       |                  |         | 10,000           |
| <b>Liabilities:</b>                             |              |                  |         |                  |
| Cash received as collateral for OTC derivatives |              | \$ (4,570,000)   |         | (4,570,000)      |
| Reverse repurchase agreements                   |              | (188,645,915)    |         | (188,645,915)    |
| <b>Total</b>                                    | \$ 9,064,000 | \$ (193,215,915) |         | \$ (184,151,915) |

During the six months ended February 28, 2015, there were no transfers between Level 1 and Level 2.

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## 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:

|  | Asset-Backed<br>Securities | Non-Agency<br>Mortgage-Backed<br>Securities | U.S.<br>Government<br>Sponsored<br>Agency<br>Securities | Total              |
|--|----------------------------|---|---|--------------------|
| <b>Assets:</b>   |                            |   |   |                    |
| Opening Balance, as of<br>August 31, 2014  | \$ 626,872                 | \$2,708,549                                 | \$ 3,612,672  | \$6,948,093        |
| Transfers into Level 3   |                            |   |   |                    |
| Transfers out of Level 3   |                            |   |   |                    |
| Accrued<br>discounts/premiums  | (66,209)                   |   | (6,163)   | (72,372)           |
| Net realized gain (loss)   | (116,697)                  | 10  | (9,489)   | (126,176)          |
| Net change in unrealized<br>appreciation/depreciation <sup>1,2</sup>   | 121,187                    | (376,812)                                   | 11,122  | (244,503)          |
| Purchases  |                            |   |   |                    |
| Sales  |                            | (10)  | (326,078)   | (326,088)          |
| <b>Closing Balance, as of<br/>February 28, 2015</b>  | <b>\$ 565,153</b>          | <b>\$2,331,737</b>                          | <b>\$ 3,282,064</b>                                     | <b>\$6,178,954</b> |
| Net change in unrealized<br>appreciation/depreciation on<br>investments<br>still held at February 28,<br>2015 <sup>2</sup> | \$ 121,187                 | \$ (376,812)                                | \$ 7,877  | \$ (247,748)       |

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

Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized

<sup>2</sup>appreciation/depreciation on investments still held at February 28, 2015 is generally due to investments no longer held or categorized as level 3 at period end.

Certain of 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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## Statements of Assets and Liabilities

| February 28, 2015 (Unaudited)  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund, Inc.<br>(HYT)* | BlackRock<br>Income<br>Trust, Inc.<br>(BKT) |
|--|--|--|---|
| <b>Assets</b>  |  |  |   |
| Investments at value unaffiliated                                      | \$1,177,108,362                          | \$2,262,930,896  | \$ 710,649,862                              |
| Investments at value affiliated  | 3,264,015                                | 45,702,238   | 2,249,337                                   |
| Cash   | 263,422                                  | 1,560,398  |   |
| Cash pledged as collateral for OTC derivatives                         | 5,716,000                                |  | 7,100,000                                   |
| Cash pledged for financial futures contracts                           | 1,017,000                                | 7,858,000  | 1,954,000                                   |
| Cash pledged for centrally cleared swaps                               |  |  | 10,000                                      |
| Interest receivable  | 12,970,515                               | 31,433,679   | 2,510,623                                   |
| TBA sale commitments receivable  |  |  | 43,906,457                                  |
| Investments sold receivable  | 1,222,597                                | 25,964,150   | 11,750,789                                  |
| Options written receivable   | 498,324                                  |  |   |
| Unrealized appreciation on OTC swaps                                   | 284,394                                  | 2,420,824  | 4,148,162                                   |
| Unrealized appreciation on forward foreign currency exchange contracts | 162,944                                  | 5,970,207  |   |
| Variation margin receivable on financial futures contracts             | 136,644                                  | 627,105  | 159,130                                     |
| Swap premiums paid   | 100,917                                  |  |   |
| Swaps receivable   | 65,682                                   | 175,856  | 781,538                                     |
| Foreign currency at value <sup>3</sup>                                 | 55,692                                   | 38,563   |   |
| Dividends receivable   | 27,422                                   | 79,091   |   |
| Deferred offering costs  |  | 46,521   |   |
| Principal paydowns receivable  |  |  | 3,306                                       |
| Variation margin receivable on centrally cleared swaps                 |  |  | 23  |
| Prepaid expenses   | 14,962                                   | 36,486   | 5,058                                       |
| Total assets   | 1,202,908,892                            | 2,384,844,014  | 785,228,285                                 |
| <b>Liabilities</b>   |  |  |   |
| Reverse repurchase agreements  | 367,812,199                              |  | 188,645,915                                 |
| Options written at value <sup>4</sup>                                  | 8,965,566                                |  |   |
| Investments purchased payable  | 4,447,647                                | 36,000,822   | 80,461,041                                  |
| Bank borrowings payable  |  | 719,000,000  |   |
| TBA sale commitments at value <sup>5</sup>                             |  |  | 43,991,447                                  |
| Cash received as collateral for OTC derivatives                        |  | 2,200,000  | 4,570,000                                   |
| Investment advisory fees payable                                       | 441,819                                  | 1,054,069  | 227,776                                     |
|  | 334,989                                  | 1,053,424  |   |

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|  |                       |                        |                       |
|--|-----------------------|------------------------|-----------------------|
| Unrealized depreciation on forward foreign currency exchange contracts |                       |                        |                       |
| Officers and Trustees fees payable                                     | 211,133               | 442,947                | 165,298               |
| Unrealized depreciation on OTC swaps                                   | 186,559               |                        | 6,210,250             |
| Swap premiums received   | 185,346               | 330,868                | 170,092               |
| Variation margin payable on centrally cleared swaps                    | 136,692               |                        |                       |
| Variation margin payable on financial futures contracts                | 118,854               |                        | 139,300               |
| Income dividends payable   | 74,633                | 555,722                | 64,908                |
| Options written payable  | 73,442                |                        |                       |
| Reorganization costs payable   | 47,889                | 13,125                 | 16,465                |
| Offering costs payable   |                       | 47,120                 |                       |
| Swaps payable  | 37,146                |                        | 1,114,014             |
| Borrowed bonds at value <sup>6</sup>                                   |                       |                        | 942,862               |
| Interest expense payable   |                       | 499,452                | 7,384                 |
| Administration fees payable  |                       |                        | 52,679                |
| Other liabilities  | 305,775               |                        | 6,334                 |
| Other accrued expenses payable   | 215,250               | 546,839                | 131,943               |
| Total liabilities  | 383,594,939           | 761,744,388            | 326,917,708           |
| <b>Net Assets</b>  | <b>\$ 819,313,953</b> | <b>\$1,623,099,626</b> | <b>\$ 458,310,577</b> |
| <sup>1</sup> Investments at cost unaffiliated                          | \$ 1,112,610,505      | \$2,279,120,394        | \$ 703,923,169        |
| <sup>2</sup> Investments at cost affiliated                            | \$ 3,264,015          | \$ 44,488,575          | \$ 2,249,337          |
| <sup>3</sup> Foreign currency at cost                                  | \$ 53,861             | \$ 38,564              |                       |
| <sup>4</sup> Premiums received   | \$ 8,319,002          |                        |                       |
| <sup>5</sup> Proceeds from TBA sale commitments                        |                       |                        | \$ 43,906,457         |
| <sup>6</sup> Proceeds received from borrowed bonds                     |                       |                        | \$ 842,347            |

See Notes to Financial Statements.

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## Statements of Assets and Liabilities (concluded)

| February 28, 2015 (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/>Trust, Inc.<br/>(BKT)</b> |
|--|--|---|---|
| <b>Net Assets Consist of</b>                                     |  |   |   |
| Paid-in capital <sup>7,8,9</sup>                                 | \$ 748,761,667                                     | \$1,788,506,929   | \$ 478,274,443  |
| Undistributed (distributions in excess of) net investment income | (2,821,835)  | (12,477,918)  | 6,727,431   |
| Undistributed net realized gain (accumulated net realized loss)  | 9,803,401  | (135,844,464)   | (30,633,138)  |
| Net unrealized appreciation/depreciation                         | 63,570,720   | (17,084,921)  | 3,941,841   |
| <b>Net Assets</b>  | <b>\$ 819,313,953</b>                              | <b>\$1,623,099,626</b>  | <b>\$ 458,310,577</b>                                 |
| Net asset value per share  | \$ 15.19   | \$ 12.82  | \$ 7.17   |
| <sup>7</sup> Par value   | \$ 0.001   | \$ 0.100  | \$ 0.010  |
| <sup>8</sup> Shares outstanding                                  | 53,935,126   | 126,599,668   | 63,942,535  |
| <sup>9</sup> Shares authorized                                   | unlimited  | 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, 2015 (Unaudited)</b>    | <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/>Trust, Inc.<br/>(BKT)</b> |
|--|--|---|---|
| <b>Investment Income</b>                                 |  |   |   |
| Interest   | \$ 21,890,133                                      | \$ 65,023,188   | \$ 13,138,009   |
| Dividends unaffiliated                                   | 284,675  | 1,370,623   |   |
| Dividends affiliated                                     | 1,469  | 373,781   | 2,829   |
| Total income   | 22,176,277   | 66,767,592  | 13,140,838  |
| <b>Expenses</b>  |  |   |   |
| Investment advisory                                      | 2,324,275  | 6,881,963   | 1,483,009   |
| Administration   |  |   | 342,233   |
| Professional   | 84,685   | 214,733   | 48,675  |
| Accounting services                                      | 49,070   | 114,596   | 34,028  |
| Transfer agent   | 43,267   | 68,383  | 34,366  |
| Officer and Trustees                                     | 38,931   | 79,539  | 22,296  |
| Custodian  | 33,138   | 127,437   | 24,963  |
| Offering   |  | 78,600  |   |
| Reorganization   | 28,703   |   | 17,165  |
| Printing   | 14,467   | 24,787  | 10,163  |
| Registration   | 6,435  | 24,157  | 11,095  |
| Miscellaneous  | 64,171   | 104,054   | 22,325  |
| Total expenses excluding interest expense and income tax | 2,687,142  | 7,718,249   | 2,050,318   |
| Interest expense   | 366,105  | 3,156,540   | 184,314   |
| Income tax   |  | 14,580  |   |
| Total expenses   | 3,053,247  | 10,889,369  | 2,234,632   |
| Less fees waived by Manager                              | (35,084)   | (694)   | (3,520)   |
| Total expenses after fees waived                         | 3,018,163  | 10,888,675  | 2,231,112   |
| Net investment income                                    | 19,158,114   | 55,878,917  | 10,909,726  |
| <b>Realized and Unrealized Gain (Loss)</b>               |  |   |   |
| Net realized gain (loss) from:                           |  |   |   |
| Investments unaffiliated                                 | 7,708,910  | (10,937,988)  | 1,036,397   |
| Investments affiliated                                   |  | (108,408)   |   |
| Financial futures contracts                              | 5,090,452  | (2,222,332)   | (6,863,740)   |
| Foreign currency transactions                            | 2,246,598  | 34,546,340  |   |
| Options written  | 1,843,287  | 243,133   |   |
| Swaps  | (420,136)  | (2,117)   | 240,032   |
|  | 16,469,111   | 21,518,628  | (5,587,311)   |
| Net change in unrealized appreciation/depreciation on:   |  |   |   |
| Investments  | (318,491)  | (78,932,590)  | 1,689,526   |
| Financial futures contracts                              | (437,672)  | (8,454,383)   | 323,150   |

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|  |                      |                       |                     |
|--|----------------------|-----------------------|---------------------|
| Foreign currency translations  | (656,992)            | (2,213,103)           |                     |
| Options written  | (2,094,416)          |                       |                     |
| Swaps  | 179,735              | (236,925)             | (445,918)           |
| Borrowed bonds   |                      |                       | (83,174)            |
|  | (3,327,836)          | (89,837,001)          | 1,483,584           |
| Net realized and unrealized gain (loss)                                | 13,141,275           | (68,318,373)          | (4,103,727)         |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b> | <b>\$ 32,299,389</b> | <b>\$(12,439,456)</b> | <b>\$ 6,805,999</b> |

\* 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/>2015<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2014</b> |
| <b>Increase (Decrease) in Net Assets:</b>                                       |   |   |
| <b>Operations</b>   |   |   |
| Net investment income   | \$ 19,158,114   | \$ 23,431,450                             |
| Net realized gain   | 16,469,111  | 3,252,163                                 |
| Net change in unrealized appreciation/depreciation                              | (3,327,836)   | 29,982,109                                |
| Net increase in net assets resulting from operations                            | 32,299,389  | 56,665,722                                |
| <b>Distributions to Shareholders From<sup>1</sup></b>                           |   |   |
| Net investment income   | (24,968,842)  | (24,499,913)                              |
| <b>Capital Share Transactions</b>   |   |   |
| Net proceeds from the issuance of shares due to reorganization                  | 399,904,994   |   |
| Net increase in net assets derived from capital share transactions              | 399,904,994   |   |
| <b>Net Assets</b>   |   |   |
| Total increase in net assets  | 407,235,541   | 32,165,809                                |
| Beginning of period   | 412,078,412   | 379,912,603                               |
| End of period   | \$ 819,313,953  | \$ 412,078,412                            |
| Undistributed (distributions in excess of) net investment income, end of period | \$ (2,821,835)  | \$ 2,988,893                              |
| 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/>2015<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2014</b> |
| <b>Increase (Decrease) in Net Assets:</b> |   |   |
| <b>Operations</b>                         |   |   |
| Net investment income                     | \$ 55,878,917   | \$ 105,249,090                            |
| Net realized gain                         | 21,518,628  | 44,986,967                                |



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|   |              |             |
|---|--------------|-------------|
| Net change in unrealized appreciation/depreciation              | (89,837,001) | 31,821,600  |
| Net increase (decrease) in net assets resulting from operations | (12,439,456) | 182,057,657 |

**Distributions to Shareholders From<sup>1</sup>**

|                       |              |               |
|-----------------------|--------------|---------------|
| Net investment income | (69,883,018) | (101,824,719) |
|-----------------------|--------------|---------------|

**Capital Share Transactions**

|  |  |               |
|--|--|---------------|
| Net proceeds from the issuance of shares due to reorganization |  | 1,178,342,562 |
|--|--|---------------|

**Net Assets**

|   |                 |                 |
|---|-----------------|-----------------|
| Total increase (decrease) in net assets   | (82,322,474)    | 1,258,575,500   |
| Beginning of period   | 1,705,422,100   | 446,846,600     |
| End of period   | \$1,623,099,626 | \$1,705,422,100 |
| Undistributed (distributions in excess of) net investment income, end of period | \$ (12,477,918) | \$ 1,526,183    |

<sup>1</sup>Distributions for annual periods determined in accordance with federal income tax regulations.  
See Notes to Financial Statements.

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## Statements of Changes in Net Assets

**BlackRock**  
**Income Trust, Inc. (BKT)**

|   | <b>Six Months<br/>Ended<br/>February 28,<br/>2015<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2014</b> |
|---|---|---|
| <b>Increase (Decrease) in Net Assets:</b>             |   |   |
| <b>Operations</b>                                     |   |   |
| Net investment income                                 | \$ 10,909,726   | \$ 22,116,133                             |
| Net realized loss                                     | (5,587,311)   | (9,402,855)                               |
| Net change in unrealized appreciation/depreciation    | 1,483,584   | 11,894,375                                |
| Net increase in net assets resulting from operations  | 6,805,999   | 24,607,653                                |
| <b>Distributions to Shareholders From<sup>1</sup></b> |   |   |
| Net investment income                                 | (13,427,935)  | (27,623,179)                              |
| <b>Net Assets</b>                                     |   |   |
| Total decrease in net assets                          | (6,621,936)   | (3,015,526)                               |
| Beginning of period                                   | 464,932,513   | 467,948,039                               |
| End of period   | \$ 458,310,577  | \$ 464,932,513                            |
| Undistributed net investment income, end of period    | \$ 6,727,431  | \$ 9,245,640                              |

<sup>1</sup>Distributions for annual periods 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 Tr<br/>Inc.<br/>(BKT)</b> |
|---|--|--|---|
| <b>Six Months Ended February 28, 2015 (Unaudited)</b>   |  |  |   |
| <b>Cash Provided by Operating Activities</b>  |  |  |   |
| Net increase (decrease) in net assets resulting from operations   | \$ 32,299,389                                      | \$ (12,439,456)  | \$ 6,805,   |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |  |  |   |
| Decrease in interest receivable   | 656,009 <sup>2</sup>                               | 1,767,001  | 146,  |
| (Increase) decrease in swaps receivable   | (59,161)   | 26,921   | 31,   |
| (Increase) decrease in prepaid expenses   |  | (6,828)  | 5,  |
| Decrease in dividends receivable  | 2,102 <sup>2</sup>                                 | 19,016   |   |
| Increase in variation margin receivable on financial futures contracts  | (116,644)  | (627,105)  | (2,   |
| Increase in variation margin receivable on centrally cleared swaps  |  |  |   |
| (Increase) decrease in cash pledged for financial futures contracts   | (600,000) <sup>2</sup>                             | (4,660,000)  | 55,   |
| Increase in cash pledged for centrally cleared swaps  | 708,035 <sup>2</sup>                               |  |   |
| (Increase) decrease in cash pledged as collateral for OTC derivatives   | (2,896,000) <sup>2</sup>                           | 1,970,000  | 600,  |
| Decrease in cash pledged as collateral for reverse repurchase agreements  | 470,000  |  | 173,  |
| Increase in prepaid expenses  | (7,894)  |  |   |
| Increase (decrease) in swaps premiums paid  | (29,921)   | 156,624  |   |
| Decrease in investment advisory fees payable  | (76,146) <sup>2</sup>                              | (174,568)  | (28,  |
| Increase (decrease) in interest expense payable   | 160,046  | (58,640)   | (10,  |
| Decrease in other accrued expenses payable  | (75,499) <sup>2</sup>                              | (3,132)  | (46,  |
| Increase (decrease) in variation margin payable on financial futures contracts  | 78,296   | (155,496)  | 125,  |
| Increase in variation margin payable on centrally cleared swaps   | 133,489  |  |   |
| Increase (decrease) in swaps payable  | 19,047   |  | (13,  |
| Increase (decrease) in swaps premium received   | 111,638 <sup>2</sup>                               | (37,972)   | (13,  |
| Increase in officer s and Trustees fees payable   | 11,447 <sup>2</sup>                                | 39,486   | 11,   |
| Increase in other liabilities   | 65,015   |  | 6,  |
| Increase (decrease) in reorganization costs payable   | (242,368) <sup>2</sup>                             |  | (205,   |
| Decrease in administration fees payable   |  |  | (6,   |
| Decrease in cash received as collateral for reverse repurchase agreements   | (3,952,000) <sup>2</sup>                           |  |   |
| Decrease in cash received as collateral for OTC derivatives   |  | (500,000)  | (690,   |
| Net realized (gain) loss on investments   | (8,912,081)  | 14,294,021   | (432,   |
| Net unrealized (gain) loss on investments, futures, swaps and foreign currency translation                                  | 3,349,291  | 81,382,618   | (1,160,   |

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|   |                            |               |           |
|---|----------------------------|---------------|-----------|
| Amortization of premium and accretion of discount on investments    | 2,131,177                  | 1,109,393     | 2,929,    |
| Premiums received from options written                              | 9,685,945                  | 269,268       |           |
| Proceeds from sales and principal paydowns of long-term investments | 417,855,604 <sup>2</sup>   | 595,799,733   | 729,931,  |
| Purchases of long-term investments                                  | (619,047,802) <sup>2</sup> | (606,651,509) | (713,614, |
| Proceeds from borrowed bonds transactions                           |                            |               | (83,      |
| Net proceeds from sales of short-term securities                    | (4,306,749) <sup>2</sup>   | 3,602,081     | 5,682,    |
| Premiums received on closing options written                        | (1,381,453)                | (26,134)      |           |
| Net cash provided by operating activities                           | (173,967,188)              | 75,095,322    | 30,197,   |

**Cash Used for Financing Activities**

|  |                        |               |          |
|--|------------------------|---------------|----------|
| Proceeds from bank borrowings                  |                        | 319,000,000   |          |
| Payments on bank borrowings                    |                        | (323,000,000) |          |
| Payments for offering costs                    |                        | (107,021)     |          |
| Amortization of deferred offering costs        |                        | 68,600        |          |
| Net borrowing of reverse repurchase agreements | 199,351,376            |               | (16,768, |
| Cash dividends paid to shareholders            | (24,945,133)           | (69,764,344)  | (13,428, |
| Decrease in bank overdraft                     | (144,687) <sup>2</sup> | (224,629)     |          |
| Net cash used for financing activities         | 174,261,556            | (74,027,394)  | (30,197, |

See Notes to Financial Statements.

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## Statements of Cash Flows (concluded)

| <b>Six Months Ended February 28, 2015</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 Trust,<br/>Inc.<br/>(BKT)</b> |
|---|--|--|---|
| <b>Cash Impact from Foreign Exchange Fluctuations</b>     |  |  |   |
| Cash impact from foreign exchange fluctuations            | \$ (30,035)  | \$ 1,954   |   |
| <b>Cash and Foreign Currency</b>                          |  |  |   |
| Net increase in cash and foreign currency                 | 264,333  | 1,069,882  |   |
| Cash and foreign currency at beginning of period          | 54,781 <sup>3</sup>                                | 529,079  |   |
| Cash and foreign currency at end of period                | \$ 319,114   | \$ 1,598,961   |   |
| <b>Supplemental Disclosure of Cash Flow Information</b>   |  |  |   |
| Cash paid during the period for interest expense          | \$ 366,105   | \$ 3,156,540   | \$ 184,314  |
| <b>Non-Cash Financing Activities</b>                      |  |  |   |
| Fair value of investments acquired through reorganization | \$ 587,549,607                                     |  |   |
| Capital shares issued in reorganization                   | \$ 399,904,994                                     |  |   |

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

<sup>2</sup>Includes assets and liabilities acquired in reorganization.

<sup>3</sup>Includes cash and foreign currency acquired in reorganization of \$(173,734).

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Core Bond Trust (BHK)

|   | Six Months<br>Ended<br>February 28,<br>2015<br>(Unaudited) | Year Ended August 31, |          |         |         |         |
|---|--|-----------------------|----------|---------|---------|---------|
|   |  | 2014                  | 2013     | 2012    | 2011    | 2010    |
| <b>Per Share Operating Performance</b>                |  |                       |          |         |         |         |
| Net asset value, beginning of period                  | \$15.24  | \$14.05               | \$15.21  | \$13.78 | \$14.19 | \$12.56 |
| Net investment income <sup>1</sup>                    | 0.44   | 0.87                  | 0.89     | 0.88    | 0.83    | 0.87    |
| Net realized and unrealized gain (loss)               | 0.13   | 1.23                  | (1.11 )  | 1.37    | (0.36 ) | 1.76    |
| Net increase (decrease) from investment operations    | 0.57   | 2.10                  | (0.22 )  | 2.25    | 0.47    | 2.63    |
| Distributions from net investment income <sup>2</sup> | (0.62 )  | (0.91 )               | (0.94 )  | (0.82 ) | (0.88 ) | (1.00)  |
| Net asset value, end of period                        | \$15.19  | \$15.24               | \$14.05  | \$15.21 | \$13.78 | \$14.19 |
| Market price, end of period                           | \$13.78  | \$13.64               | \$12.50  | \$15.41 | \$12.69 | \$13.92 |
| <b>Total Return<sup>3</sup></b>                       |  |                       |          |         |         |         |
| Based on net asset value                              | 4.37% <sup>4</sup>   | 16.09% <sup>5</sup>   | (1.42)%  | 17.06%  | 4.02%   | 22.44%  |
| Based on market price                                 | 5.79% <sup>4</sup>   | 16.78%                | (13.43)% | 28.78%  | (2.35)% | 25.93%  |
| <b>Ratio to Average Net Assets</b>                    |  |                       |          |         |         |         |
| Total expenses  | 0.95% <sup>6,7</sup>                                       | 1.06% <sup>7</sup>    | 1.03%    | 0.95%   | 1.02%   | 1.18%   |
|   | 0.94% <sup>6,7</sup>                                       | 1.02% <sup>7</sup>    | 0.98%    | 0.94%   | 1.02%   | 1.18%   |

|   |       |                |       |              |       |       |       |       |
|---|-------|----------------|-------|--------------|-------|-------|-------|-------|
| Total expenses after fees waived and paid indirectly                                |       |                |       |              |       |       |       |       |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.82% | <sup>6,7</sup> | 0.91% | <sup>7</sup> | 0.86% | 0.86% | 0.93% | 0.95% |
| Net investment income   | 5.95% | <sup>6</sup>   | 5.94% |              | 5.92% | 6.13% | 6.05% | 6.62% |

**Supplemental Data**

|   |            |  |            |  |            |  |            |  |            |  |           |
|---|------------|--|------------|--|------------|--|------------|--|------------|--|-----------|
| Net assets, end of period (000)             | \$ 819,314 |  | \$ 412,078 |  | \$ 379,913 |  | \$ 411,136 |  | \$ 372,295 |  | \$ 383,54 |
| Borrowings outstanding, end of period (000) | \$367,812  |  | \$168,301  |  | \$172,537  |  | \$182,679  |  | \$152,301  |  | \$169,938 |
| Asset coverage, end of period per \$1,000   | \$3,228    |  | \$3,448    |  | \$3,202    |  | \$3,251    |  | \$3,444    |  | \$3,270   |
| Portfolio turnover rate <sup>8</sup>        | 41%        |  | 82%        |  | 100%       |  | 290%       |  | 824%       |  | 641%      |

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

<sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

Total 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 distributions.

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

<sup>5</sup> Includes proceeds received from a settlement of litigation, which impacted the Trust's total return. Excluding these proceeds, the total return would have been 16.01%.

<sup>6</sup> Annualized.

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 0.94%, 0.93% and 0.81% for the six months ended February 28, 2015 and 1.00%, 0.96% and 0.85% for the year ended August 31, 2014, respectively.

<sup>8</sup>

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Includes mortgage dollar roll transactions ( MDRs ). Additional information regarding portfolio turnover rate is as follows:

|   | <b>Six Months<br/>Ended<br/>February<br/>28,<br/>2015</b> | <b>Year Ended August 31,</b> |             |             |             |             |
|---|---|------------------------------|-------------|-------------|-------------|-------------|
|   |   | <b>2014</b>                  | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|   | <b>(Unaudited)</b>  |                              |             |             |             |             |
| Portfolio turnover rate<br>(excluding MDRs)<br>See Notes to Financial Statements. | 37%   | 48%                          | 63%         | 237%        | 544%        | 534%        |

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## Financial Highlights

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

|   | Six Months<br>Ended<br>February 28,<br>2015 <sup>1</sup><br>(Unaudited) | Year Ended August 31, |                    |                   |         |    |
|---|---|-----------------------|--------------------|-------------------|---------|----|
|   |   | 2014 <sup>1</sup>     | 2013 <sup>1</sup>  | 2012 <sup>1</sup> | 2011    |    |
| <b>Per Share Operating Performance</b>                |   |                       |                    |                   |         |    |
| Net asset value, beginning of period                  | \$ 13.47  | \$ 12.62              | \$ 12.32           | \$ 11.49          | \$11.38 | \$ |
| Net investment income <sup>2</sup>                    | 0.44  | 0.98                  | 1.00               | 1.04              | 1.06    |    |
| Net realized and unrealized gain (loss)               | (0.54)  | 0.91                  | 0.41               | 0.83              | 0.05    |    |
| Net increase (decrease) from investment operations    | (0.10)  | 1.89                  | 1.41               | 1.87              | 1.11    |    |
| Distributions from net investment income <sup>3</sup> | (0.55)  | (1.04)                | (1.11)             | (1.04)            | (1.00)  | )  |
| Net asset value, end of period                        | \$ 12.82  | \$ 13.47              | \$ 12.62           | \$ 12.32          | \$11.49 | \$ |
| Market price, end of period                           | \$ 11.52  | \$ 12.07              | \$ 11.37           | \$ 12.96          | \$11.21 | \$ |
| <b>Total Return<sup>4</sup></b>                       |   |                       |                    |                   |         |    |
| Based on net asset value                              | (0.17)% <sup>5</sup>  | 16.21%                | 11.90%             | 17.14%            | 9.95%   | 2  |
| Based on market price                                 | 0.11% <sup>5</sup>  | 15.58%                | (4.16)%            | 26.30%            | 9.09%   | 2  |
| <b>Ratio to Average Net Assets</b>                    |   |                       |                    |                   |         |    |
| Total expenses  | 1.34% <sup>6,7</sup>  | 1.35% <sup>8</sup>    | 1.54% <sup>9</sup> | 1.51%             | 1.41%   |    |
|   | 1.35% <sup>6</sup>  | 1.35% <sup>8</sup>    | 1.54% <sup>9</sup> | 1.51%             | 1.41%   |    |

|  |                    |                    |                       |                     |       |
|--|--------------------|--------------------|-----------------------|---------------------|-------|
| Total expenses after fees waived and paid indirectly   |                    |                    |                       |                     |       |
| Total expenses after fees waived and paid indirectly and excluding interest expense and income tax | 0.96% <sup>6</sup> | 0.98% <sup>8</sup> | 1.16% <sup>9,10</sup> | 1.19% <sup>11</sup> | 1.12% |
| Net investment income  | 6.92% <sup>6</sup> | 7.40%              | 7.83%                 | 8.84%               | 8.80% |

**Supplemental Data**

|   |              |              |            |            |            |      |
|---|--------------|--------------|------------|------------|------------|------|
| Net assets, end of period (000)             | \$ 1,623,100 | \$ 1,705,422 | \$ 446,847 | \$ 435,955 | \$ 405,697 | \$ 4 |
| Borrowings outstanding, end of period (000) | \$ 719,000   | \$ 723,000   | \$ 191,000 | \$ 181,000 | \$130,000  | \$   |
| Asset coverage, end of period per \$1,000   | \$ 3,257     | \$ 3,359     | \$ 3,340   | \$ 3,409   | \$4,121    | \$   |
| Portfolio turnover rate                     | 26%          | 64%          | 77%        | 61%        | 87%        |      |

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

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

<sup>3</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

<sup>4</sup> Total 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 distributions.

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

<sup>6</sup> Annualized.

<sup>7</sup> Offering costs were not annualized in the calculation of expense ratios. If these expenses were annualized, the total expenses would have been 1.35%.

<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 1.34%, 1.34% and 0.97%, respectively.

<sup>9</sup>

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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>10</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>11</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 Trust, Inc. (BKT)

|  | Six Months<br>Ended<br>February 28,<br>2015<br>(Unaudited) | Year Ended August 31, |          |         |         |         |
|--|--|-----------------------|----------|---------|---------|---------|
|  |  | 2014                  | 2013     | 2012    | 2011    | 2010    |
| <b>Per Share Operating Performance</b>             |  |                       |          |         |         |         |
| Net asset value, beginning of period               | \$7.27   | \$7.32                | \$7.94   | \$7.96  | \$7.76  | \$7.17  |
| Net investment income <sup>1</sup>                 | 0.17   | 0.35                  | 0.32     | 0.39    | 0.35    | 0.29    |
| Net realized and unrealized gain (loss)            | (0.06 )  | 0.03                  | (0.46 )  | 0.06    | 0.19    | 0.73    |
| Net increase (decrease) from investment operations | 0.11   | 0.38                  | (0.14 )  | 0.45    | 0.54    | 0.99    |
| Distributions from: <sup>2</sup>                   |  |                       |          |         |         |         |
| Net investment income                              | (0.21 )  | (0.43 )               | (0.48 )  | (0.27 ) | (0.34 ) | (0.22 ) |
| Net realized gain                                  |  |                       |          | (0.20 ) |         | (0.03 ) |
| Total distributions                                | (0.21 )  | (0.43 )               | (0.48 )  | (0.47 ) | (0.34 ) | (0.25 ) |
| Net asset value, end of period                     | \$7.17   | \$7.27                | \$7.32   | \$7.94  | \$7.96  | \$7.70  |
| Market price, end of period                        | \$6.42   | \$6.42                | \$6.40   | \$7.63  | \$7.18  | \$6.90  |
| <b>Total Return<sup>3</sup></b>                    |  |                       |          |         |         |         |
| Based on net asset value                           | 1.88% <sup>4</sup>   | 6.05%                 | (1.45)%  | 6.24%   | 7.70%   | 13.1%   |
| Based on market price                              | 3.31% <sup>4</sup>   | 7.12%                 | (10.34)% | 13.19%  | 8.47%   | 11.1%   |

**Ratio to Average Net Assets**

|   |       |                |       |              |       |       |       |       |
|---|-------|----------------|-------|--------------|-------|-------|-------|-------|
| Total expenses  | 0.98% | <sup>5,6</sup> | 1.02% | <sup>6</sup> | 1.00% | 0.97% | 1.06% | 1.00% |
| Total expenses after fees waived and paid indirectly                                | 0.98% | <sup>5,6</sup> | 1.02% | <sup>6</sup> | 1.00% | 0.97% | 1.05% | 1.00% |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.90% | <sup>5,6</sup> | 0.96% | <sup>6</sup> | 0.90% | 0.90% | 0.94% | 0.90% |
| Net investment income   | 4.78% | <sup>5</sup>   | 4.74% |              | 4.18% | 4.86% | 4.43% | 2.7%  |

**Supplemental Data**

|   |            |  |            |  |            |  |            |  |            |  |            |
|---|------------|--|------------|--|------------|--|------------|--|------------|--|------------|
| Net assets, end of period (000)             | \$ 458,311 |  | \$ 464,933 |  | \$ 467,948 |  | \$ 507,852 |  | \$ 508,765 |  | \$ 490,000 |
| Borrowings outstanding, end of period (000) | \$188,646  |  | \$205,415  |  | \$148,344  |  | \$119,706  |  | \$233,676  |  | \$106,000  |
| Asset coverage, end of period per \$1,000   | \$3,429    |  | \$3,263    |  | \$4,154    |  | \$5,242    |  | \$3,177    |  | \$5,600    |
| Portfolio turnover <sup>7</sup>             | 103%       |  | 256%       |  | 358%       |  | 487%       |  | 899%       |  | 883%       |

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

<sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

Total 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 distributions.

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

<sup>5</sup> Annualized.

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 0.97%, 0.97% and 0.90% for the six months ended February 28, 2015 and the year ended August 31, 2014, respectively.

<sup>7</sup>

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Includes MDRs. Additional information regarding portfolio turnover rate is as follows:

|   | <b>Six Months<br/>Ended<br/>February 28,<br/>2015<br/>(Unaudited)</b> | <b>Year Ended August 31,</b> |             |             |             |             |
|---|---|------------------------------|-------------|-------------|-------------|-------------|
|   |   | <b>2014</b>                  | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
| Portfolio turnover rate<br>(excluding MDRs)<br>See Notes to Financial Statements. | 44%   | 125%                         | 196%        | 230%        | 387%        | 207%        |

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Notes to Financial Statements (Unaudited)

**1. Organization:**

The following are registered under the 1940 Act as closed-end management investment companies and referred to herein collectively as the Trusts :

| Trust Name                                | Herein<br>Referred To<br>As | Organized | Diversification<br>Classification |
|---|-----------------------------|-----------|-----------------------------------|
| BlackRock Core Bond Trust                 | BHK                         | Delaware  | Diversified                       |
| BlackRock Corporate High Yield Fund, Inc. | HYT                         | Maryland  | Diversified                       |
| BlackRock Income Trust, Inc.              | BKT                         | Maryland  | Diversified                       |

The Boards of Directors and 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 BHK and the Board and shareholders of BlackRock Income Opportunity Trust, Inc. ( BNA and the Target Fund ) approved the reorganization of the Target Fund into BHK pursuant to which BHK acquired substantially all of the assets and substantially all of the liabilities of the Target Fund in exchange for an equal aggregate value of newly-issued Common Shares of BHK. The purpose of the transaction was to combine two 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. The reorganization was a tax-free event and was effective on November 10, 2014.

Each Common Shareholder of the Target Fund received Common Shares of BHK in an amount equal to the aggregate net asset value of such Common Shareholder's Target Fund Common Shares, as determined at the close of business on November 7, 2014, less the costs of the Target Fund's reorganization. Cash was distributed for any fractional shares.

The reorganization was accomplished by a tax-free exchange of shares of BHK in the following amount and at the following conversion ratio:

| Target Fund | Shares Prior to<br>Reorganization | Conversion<br>Ratio | Shares of<br>BHK |
|-------------|-----------------------------------|---------------------|------------------|
| BNA         | 34,456,370                        | 0.78050585          | 26,893,279       |

BNA's net assets and composition of net assets on November 7, 2014, the valuation date of the reorganization, was as follows:

| <b>BNA</b>                                       |                 |
|--|-----------------|
| Net assets                                       | \$399,904,994   |
| Paid-in capital                                  | \$384,183,174   |
| Distributions in excess of net investment income | \$ (65,119)     |
| Accumulated net realized loss                    | \$ (14,090,276) |
| Net unrealized appreciation/depreciation         | \$ 29,877,215   |

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

The net assets of BHK before the acquisition were \$402,115,685. The aggregate net assets of BHK immediately after the acquisition amounted to \$802,021,725. The Target Fund's fair value and cost of investments prior to the reorganization were as follows:

| Target Fund | Fair Value of Investments | Cost of Investments |
|-------------|---------------------------|---------------------|
|-------------|---------------------------|---------------------|

|     |               |               |
|-----|---------------|---------------|
| BNA | \$587,549,607 | \$557,681,213 |
|-----|---------------|---------------|

Assuming the acquisition had been completed on September 1, 2014 the beginning of the fiscal reporting period of BHK, the pro forma results of operations for the six months ended February 28, 2015, are as follows:

Net investment income/loss: \$23,584,216

Net realized and change in unrealized gain/loss on investments: \$7,794,708

Net increase/decrease in net assets resulting from operations: \$31,378,924

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Notes to Financial Statements (continued)

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 Fund that have been included in BHK's Consolidated Statement of Operations since November 10, 2014.

Reorganization costs incurred in connection with the reorganization were expensed by BHK.

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 HYT Target Fund and collectively the HYT Target Funds) approved the reorganizations of each HYT Target Fund into HYT pursuant to which HYT acquired substantially all of the assets and substantially all of the liabilities of each HYT Target Fund in exchange for an equal aggregate value of newly-issued Common Shares of HYT. On February 28, 2014, HYT changed its name from BlackRock Corporate High Yield Fund VI, Inc. to BlackRock Corporate High Yield Fund, Inc. The purpose of these transactions was to combine six funds managed 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.

Each Common Shareholder of a HYT Target Fund received Common Shares of HYT in an amount equal to the aggregate net asset value of such shareholders HYT 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 HYT Target Fund's net assets and composition of net assets on November 15, 2013, the valuation date of the reorganization, 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                                  | \$305,529,497   | \$325,149,382   | \$469,523,241   | \$151,358,421   | \$57,800,581    |
| Distributions in excess of net investment income | \$ (1,185,651)  | \$ (1,350,006)  | \$ (1,971,210)  | \$ (745,598)    | \$ (176,691)    |
| Accumulated net realized gains                   | \$ (41,042,210) | \$ (35,328,795) | \$ (45,260,726) | \$ (28,812,095) | \$ (11,055,877) |
| Net unrealized appreciation/depreciation         | \$ 6,632,333    | \$ 8,634,346    | \$ 15,733,870   | \$ 2,500,088    | \$ 2,418,662    |

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 HYT Target Fund were carried forward to maintain ongoing reporting of HYT's realized and unrealized gains and losses distributable to shareholders for tax purposes.

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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 HYT Target Fund's fair value and cost of investments and derivative financial instruments prior to the reorganization were as follows:

---

| <b>Target Fund</b> | <b>Fair Value of<br/>Investments</b> | <b>Cost of<br/>Investments</b> |
|--------------------|--------------------------------------|--------------------------------|
| COY                | \$390,967,349                        | \$384,382,845                  |
| CYE                | \$426,116,528                        | \$417,548,014                  |
| HYV                | \$635,374,976                        | \$619,705,167                  |
| HIS                | \$168,353,486                        | \$165,699,553                  |
| BHY                | \$69,538,358                         | \$67,121,555                   |

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Notes to Financial Statements (continued)

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 year ended August 31, 2014, are as follows:

Net investment income: \$124,066,786

Net realized and change in unrealized gain/loss on investments: \$114,665,188

Net increase/decrease in net assets resulting from operations: \$238,731,974

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 HYT 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:** The accompanying consolidated financial statements of HYT 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) Investments, S.a.r.l. (the Taxable Subsidiaries), all of which are wholly owned subsidiaries of the Trust which hold shares of private Canadian companies, Laricina Energy Ltd., Osum Oil Sands Corp. and Seven Generations Energy Ltd. 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. An income tax provision, if any, is included in expenses in the Consolidated Statement of Operations. The net assets of the Taxable Subsidiaries as of February 28, 2015 were \$7,695,108, which is 0.5% of HYT's consolidated net assets. Intercompany accounts and transactions, if any, have been eliminated. The Taxable Subsidiaries are subject to the same investment policies and restrictions that apply to HYT.

**2. Significant Accounting Policies:**

The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( U.S. 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. Each Trust is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of the significant accounting policies followed by the Trusts:

**Valuation:** The Trusts' investments are valued at fair value as of the close of trading on the New York Stock Exchange ( NYSE ) (generally 4:00 p.m., Eastern time) (or if the reporting date falls on a day the NYSE is closed, investments are valued at fair value as of the report date). U.S. 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.

Bond investments are valued 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.



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### Notes to Financial Statements (continued)

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 exchange are valued at the official close price each day, if available. For equity investments traded on more than one exchange, the official close 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 U.S. dollars using exchange rates determined as of the close of business on the NYSE. Forward foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter (OTC) options and options on swaps (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 Investments). When determining the price for Fair Value Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive or pay from the current sale or purchase of that asset or liability 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 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 Investments 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 materially affect the value of such instruments, those instruments may be Fair Value Investments and be valued at their fair value, as determined in good faith by the Global Valuation Committee, or its delegate, using a pricing service and/or policies approved by the Board. Each business day, the Trusts use a pricing service to assist with the valuation of certain foreign exchange-traded equity securities and foreign exchange-traded and OTC options (the Systematic Fair Value Price). Using current market factors, the Systematic Fair Value Price is designed to value such foreign securities and foreign options at fair value as of the close of business on the NYSE, which follows the close of the local markets.

**Foreign Currency:** The Trusts' books and records are maintained in U.S. 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 U.S. dollar rises in value against a foreign currency, the Trusts' investments denominated in that currency will lose value because that currency is

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worth fewer U.S. dollars; the opposite effect occurs if the U.S. 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

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Notes to Financial Statements (continued)

net realized and unrealized gain (loss) from investments. The Trusts report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally 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, forward foreign currency exchange contracts, options written, swaps and short sales) or certain borrowings (e.g., reverse repurchase transactions and treasury roll transactions) 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, the 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.

**Distributions:** Distributions 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 distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

**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.

**Recent Accounting Standard:** In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance will require expanded disclosure for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings. It is effective for financial statements with fiscal years beginning on or after December 15, 2014 and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Trusts' financial statement disclosures.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are prorated 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

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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

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Notes to Financial Statements (continued)

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 subsequently have to 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 U.S. 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 U.S. 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 that 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, U.S. Government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets ), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, the Trusts may not fully recoup its initial investment in IOs.

**Stripped Mortgage-Backed Securities:** Certain Trusts may invest in stripped mortgage-backed securities issued by the U.S. 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

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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,

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## Notes to Financial Statements (continued)

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 U.S. 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 its 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.

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, 2015, 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.

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**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. When entering into TBA commitments, the Trusts may 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.

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**Notes to Financial Statements (continued)**

In order to better define contractual rights and to secure rights that will help the Trusts mitigate their counterparty risk, TBA commitments may be entered into by the Trusts under Master Securities Forward Transaction Agreements (each, an MSFTA). An MSFTA typically contains, among other things, collateral posting terms and netting provisions in the event of default and/or termination event. 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 the collateral currently pledged by a Trust and the counterparty. Cash collateral that has been pledged to cover the obligations of a Trust and cash collateral received from the counterparty, if any, is reported separately on the Statements of Assets and Liabilities as cash pledged as collateral for TBA commitments or cash received as collateral for TBA commitments, respectively. Non-cash collateral pledged by a Trust, if any, is noted in the Schedules of Investments. Typically, the Trusts are permitted to sell, repledge or use the collateral they receive; however, the counterparty is not permitted to do so. To the extent amounts due to the Trusts are not fully collateralized, contractually or otherwise, the Trusts bear the risk of loss from counterparty non-performance.

**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. The borrowed bond agreement contains a commitment that the security and the cash will be returned to the counterparty and the Trusts at a mutually agreed upon 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. 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 to be repurchased may decline below the repurchase price.

For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest due 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 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 over the term of the borrowing. For U.S. 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

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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.

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Notes to Financial Statements (continued)

For the six months ended February 28, 2015, the average amount of reverse repurchase agreements and treasury roll transactions outstanding and the daily weighted average interest rates were as follows:

|     | Average<br>Amount<br>Outstanding | Daily<br>Weighted<br>Average<br>Interest Rate |
|-----|----------------------------------|---|
| BHK | \$267,444,068                    | 0.28%   |
| BKT | \$203,403,774                    | 0.19%   |

Borrowed bond agreements and reverse repurchase transactions are entered into by the Trusts under Master Repurchase Agreements (each, an 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 borrowed bond agreements and reverse repurchase transactions typically the Trusts and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. 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.

As of February 28, 2015, the following table is a summary of the Trusts' open borrowed bond and reverse repurchase agreements by counterparty which are subject to offset under an MRA on a net basis:

**BHK**

| Counterparty                                    | Reverse<br>Repurchase<br>Agreements | Fair Value of<br>Non-cash Collateral<br>Pledged Including<br>Accrued Interest <sup>1</sup> | Cash<br>Collateral<br>Pledged | Net<br>Amount |
|---|-------------------------------------|--|-------------------------------|---------------|
| Barclays Capital, Inc.                          | \$ 19,297,050                       | \$ (19,297,050)  |                               |               |
| BNP Paribas Securities Corp.                    | 161,196,689                         | (161,196,689)  |                               |               |
| Credit Suisse Securities (USA)<br>LLC           | 79,735,113                          | (79,735,113)   |                               |               |
| Deutsche Bank Securities, Inc.                  | 8,110,354                           | (8,110,354)  |                               |               |
| HSBC Securities (USA), Inc.                     | 36,146,172                          | (36,146,172)   |                               |               |
| Merrill Lynch, Pierce, Fenner, &<br>Smith, Inc. | 2,127,467                           | (2,127,467)  |                               |               |
| RBC Capital Markets, LLC                        | 3,423,389                           | (3,423,389)  |                               |               |
| UBS Securities LLC                              | 57,775,965                          | (57,775,965)   |                               |               |
| <b>Total</b>                                    | <b>\$367,812,199</b>                | <b>\$ (367,812,199)</b>  |                               |               |

<sup>1</sup> Net collateral with a value of \$434,040,250 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.

| <u>Borrowed Bond Agreements</u> | <u>Reverse Repurchase Agreements</u> | <u>Borrowed Bonds at Value including Accrued Interest<sup>3</sup></u> | <u>Net Amount before Collateral</u> | <u>Non-cash Collateral Received</u> | <u>Cash Collateral -Received</u> | <u>Non-cash Collateral -Pledged</u> | <u>Cash Collateral -Pledged</u> | <u>Net Collateral (Received)/ Pledged<sup>4</sup></u> | <u>Net Due -Cou</u> |
|---------------------------------|--------------------------------------|---|-------------------------------------|-------------------------------------|----------------------------------|-------------------------------------|---------------------------------|---|---------------------|
|                                 | \$ (74,914,843 )                     |   | \$ (74,914,843 )                    |                                     |                                  | \$ 74,914,843                       |                                 | \$ 74,914,843   |                     |
|                                 | (2,833,246 )                         |   | (2,833,246 )                        |                                     |                                  | 2,833,246                           |                                 | 2,833,246   |                     |
|                                 | (110,897,826)                        |   | (110,897,826)                       |                                     |                                  | 110,897,826                         |                                 | 110,897,826   |                     |
| \$918,000                       |                                      | \$ (950,246)  | (32,246 )                           |                                     |                                  |                                     |                                 |   | \$ (32,246)         |
| \$918,000                       | \$ (188,645,915)                     | \$ (950,246)  | \$ (188,678,161)                    |                                     |                                  | \$ 188,645,915                      |                                 | \$ 188,645,915  | \$ (32,246)         |

<sup>2</sup>Included in Investments at value-unaffiliated in the Statements of Assets and Liabilities.

<sup>3</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.

Net collateral with a value of \$208,136,967 has been pledged in connection with open reverse repurchase agreements. Excess of net collateral pledged to the individual counterparty is not shown for financial reporting purposes.

In the event the counterparty of securities under an MRA files for bankruptcy or becomes insolvent, the Trusts' use of the proceeds from the agreement may be restricted while the counterparty, or its trustee or receiver, determines whether or not to enforce the Trusts' obligation to repurchase the securities.

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Notes to Financial Statements (continued)

**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 that 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 invest in long and/or short positions in 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.

**Forward Foreign Currency Exchange Contracts:** The Trusts enter into forward 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 forward 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. Forward 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 forward foreign currency exchange contracts involves the risk that the value of a forward 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

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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

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Notes to Financial Statements (continued)

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 swaptions 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-U.S. 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.

For the six months ended February 28, 2015, transactions in options written, including swaptions, were as follows:

|  | Calls     |                             | Puts              |           |                             |                   |
|--|-----------|-----------------------------|-------------------|-----------|-----------------------------|-------------------|
|  | Contracts | Notional (000) <sup>1</sup> | Premiums Received | Contracts | Notional (000) <sup>1</sup> | Premiums Received |
| <b>BHK</b>                               |           |                             |                   |           |                             |                   |
| Outstanding options, beginning of period |           | \$57,800                    | \$955,801         |           | \$113,600                   | \$2,387,821       |
| Options written                          |           | 299,100                     | 3,892,016         |           | 404,300                     | 6,292,253         |
| Options expired                          |           |                             |                   |           | (80,100)                    | (871,282)         |
| Options closed                           |           | (145,550)                   | (1,864,233)       |           | (99,700)                    | (2,473,374)       |
| Outstanding options, end of period       |           | \$211,350                   | \$2,983,584       |           | \$338,100                   | \$5,335,418       |
| <b>HYT</b>                               |           |                             |                   |           |                             |                   |
| Outstanding options, beginning of period |           |                             |                   |           |                             |                   |
| Options written                          |           |                             |                   | 3,300     |                             | \$269,268         |
| Options expired                          |           |                             |                   | (2,400)   |                             | (119,906)         |
| Options closed                           |           |                             |                   | (900)     |                             | (149,362)         |
| Outstanding options, end of period       |           |                             |                   |           |                             |                   |

period

<sup>1</sup> Amount shown is in the currency in which the transaction was denominated.

**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 contract 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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## Notes to Financial Statements (continued)

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 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.

**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. In more complex swaps, the notional principal amount may decline (or amortize) over time.

**Forward interest rate 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, 2015

|  | Value                 |                            |                       |                            |                       |                            |
|--|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
|  | BHK                   |                            | HYT                   |                            | BKT                   |                            |
|  | Derivative<br>-Assets | Derivative<br>-Liabilities | Derivative<br>-Assets | Derivative<br>-Liabilities | Derivative<br>-Assets | Derivative<br>-Liabilities |
| Statements of Assets<br>and Liabilities Location   |                       |                            |                       |                            |                       |                            |
| Interest rate contracts  |                       |                            |                       |                            |                       |                            |
| Net unrealized appreciation/depreciation <sup>1</sup> ;<br>Unrealized appreciation/depreciation on OTC swaps; Swaps premiums paid/received; Investments at value-unaffiliated <sup>2</sup> ; |                       |                            |                       |                            |                       |                            |
| Options written at value   |                       |                            |                       |                            |                       |                            |
| Foreign currency exchange  |                       |                            |                       |                            |                       |                            |
| Unrealized appreciation/depreciation on forward foreign  | 162,944               | 334,989                    | \$5,970,207           | \$1,053,424                | \$4,308,147           | \$7,077,586                |

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|              |   |              |               |              |               |              |              |
|--------------|---|--------------|---------------|--------------|---------------|--------------|--------------|
| contracts    | currency exchange contracts                           |              |               |              |               |              |              |
|              | Unrealized  |              |               |              |               |              |              |
| Credit       | contracts   |              |               |              |               |              |              |
|              | appreciation/depreciation                             | 373,433      | 371,905       | 2,420,824    | 330,868       |              |              |
| contracts    | on OTC swaps; Swap premiums paid/received             |              |               |              |               |              |              |
| Equity       | contracts   |              |               |              |               |              |              |
|              | Net unrealized appreciation/depreciation <sup>1</sup> |              |               |              | 9,341,164     |              |              |
| <b>Total</b> |   | \$ 3,037,691 | \$ 10,374,435 | \$ 8,391,031 | \$ 10,725,456 | \$ 4,308,147 | \$ 7,077,586 |

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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Notes to Financial Statements (continued)

**The Effect of Derivative Financial Instruments in the Statements of Operations  
Six Months Ended February 28, 2015**

|                               | BHK                           | HYT           | BKT            | BHK  | HYT            | BKT            |
|-------------------------------|-------------------------------|---------------|----------------|--|----------------|----------------|
|                               | Net Realized Gain (Loss) From |               |                | Net Change in Unrealized<br>Appreciation/Depreciation on |                |                |
| Interest rate contracts:      |                               |               |                |  |                |                |
| futures                       | \$5,090,452                   |               | \$ (6,863,740) | \$ (437,672)   |                | \$ 3,734,036   |
|                               | (392,685)                     |               | 240,032        | 167,704  |                | (4,000,000)    |
|                               | 1,609,662                     |               |                | (1,297,411)  |                |                |
| Currency contracts:           |                               |               |                |  |                |                |
| Currency options/translations | 2,195,559                     | \$ 36,146,363 |                | (561,797)  | \$ (2,026,064) |                |
| Contracts:                    | (27,451)                      | (2,117)       |                | 12,031   | (236,925)      |                |
| Contracts:                    |                               |               |                |  |                |                |
| futures                       |                               | (2,222,332)   |                |  | (8,454,383)    |                |
|                               |                               | (88,992)      |                |  |                |                |
|                               | \$8,475,537                   | \$ 33,832,922 | \$ (6,623,708) | \$(2,117,145)  | \$(10,717,372) | \$ (1,438,000) |

<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, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | BHK                   | HYT           | BKT           |
|--|-----------------------|---------------|---------------|
| Financial futures contracts:                 |                       |               |               |
| Average notional value of contracts long     | \$209,430,604         |               | \$ 18,123,449 |
| Average notional value of contracts short    | \$228,721,580         | \$143,907,735 | \$211,094,410 |
| Forward foreign currency exchange contracts: |                       |               |               |
| Average amounts purchased in USD             | \$ 23,728,217         | \$261,138,769 |               |
| Average amounts sold in USD                  | \$ 1,422,384          | \$ 15,093,071 |               |
| Options:                                     |                       |               |               |
|  | \$ 3,225 <sup>2</sup> | \$ 179,850    |               |

|  |               |    |                      |
|--|---------------|----|----------------------|
| Average value of option contracts purchased            |               |    |                      |
| Average value of option contracts written              |               | \$ | 144,975 <sup>2</sup> |
| Average notional value of swaption contracts purchased | \$131,750,000 |    |                      |
| Average notional value of swaption contracts written   | \$443,498,288 |    |                      |
| Credit default swaps:                                  |               |    |                      |
| Average notional value buy protection                  | \$ 6,401,000  |    |                      |
| Average notional value sell protection                 | \$ 7,070,000  | \$ | 13,797,065           |
| Interest rate swaps:                                   |               |    |                      |
| Average notional value pays fixed rate                 | \$ 89,607,148 |    | \$ 60,000,000        |
| Average notional value receives fixed rate             | \$ 58,569,053 |    | \$ 71,565,000        |

<sup>2</sup> Actual amounts for the period are shown due to limited outstanding derivative financial instruments as of each quarter.

**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 its 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 their 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



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Notes to Financial Statements (continued)

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. Bankruptcy or insolvency laws of a particular jurisdiction may restrict or prohibit the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties 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 its ISDA Master Agreements. The result 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 (typically either \$250,000 or \$500,000) before a transfer is required, which is determined at the close of business of the Trusts. 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, the Trusts bear the risk of loss from counterparty non-performance. Likewise, to the extent the Trusts have delivered collateral to a counterparty and stands ready to perform under the terms of its agreement with such counterparty, the Trusts bear the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral.

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

As of February 28, 2015, the Trusts' derivative assets and liabilities (by type) are as follows:

|  | BHK                    |              | HYT          |              | BKT          |              |
|--|------------------------|--------------|--------------|--------------|--------------|--------------|
|  | Assets                 | Liabilities  | Assets       | Liabilities  | Assets       | Liabilities  |
| <b>Derivative financial instruments:</b> |                        |              |              |              |              |              |
| Financial futures                        |                        |              |              |              |              |              |
| Contracts forward                        | \$ 136,644             | \$ 118,854   | \$ 627,105   |              | \$ 159,130   | \$ 139,300   |
| Foreign                                  |                        |              |              |              |              |              |
| currency                                 |                        |              |              |              |              |              |
| change                                   |                        |              |              |              |              |              |
| Contracts                                | 162,944                | 334,989      | 5,970,207    | \$ 1,053,424 |              |              |
| Options                                  | 1,991,055 <sup>1</sup> | 8,965,566    |              |              |              |              |
| Swaps                                    |                        |              |              |              |              |              |
| centrally                                |                        |              |              |              |              |              |
| cleared                                  |                        | 136,692      |              |              | 23           |              |
| swaps OTC                                | 385,311                | 371,905      | 2,420,824    | 330,868      | 4,148,162    | 6,380,342    |
| Total                                    | \$ 2,675,954           | \$ 9,928,006 | \$ 9,018,136 | \$ 1,384,292 | \$ 4,307,315 | \$ 6,519,642 |
| Derivative                               |                        |              |              |              |              |              |

|   |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets and<br>Liabilities in<br>the<br>Statements of<br>Assets and<br>Liabilities<br>Derivatives<br>not subject to<br>Master<br>Netting<br>Agreement of<br>Similar<br>Agreement<br>(MNA ) | (136,644)    | (255,546)    | (627,105)    |              | (159,153)    | (139,300)    |
| Total<br>Derivative<br>Assets and<br>Liabilities<br>Subject<br>to MNA   | \$ 2,539,310 | \$ 9,672,460 | \$ 8,391,031 | \$ 1,384,292 | \$ 4,148,162 | \$ 6,380,342 |

<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)

As of February 28, 2015, 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:

**BHK**

| Counterparty                           | Derivative<br>Assets<br>Subject to an<br>MNA<br>by Counterparty | Derivatives<br>Available<br>for Offset <sup>1</sup> | Non-cash<br>Collateral<br>Received | Cash<br>Collateral<br>Received | Net Amount<br>of Derivative<br>Assets <sup>2</sup> |
|--|---|---|------------------------------------|--------------------------------|--|
| Bank of America N.A.                   | \$ 173,991  | \$(173,991 )  |                                    |                                |  |
| Barclays Bank PLC                      | 90,965  | (90,965)  |                                    |                                |  |
| Citibank N.A.                          | 260,835   | (142,710)   |                                    |                                | \$ 118,125   |
| Credit Suisse International            | 43,875  | (43,875)  |                                    |                                |  |
| Deutsche Bank AG                       | 1,243,174   | (1,243,174)   |                                    |                                |  |
| Goldman Sachs Bank USA                 | 37,486  | (37,486)  |                                    |                                |  |
| JPMorgan Chase Bank N.A.               | 548,527   | (548,527)   |                                    |                                |  |
| Morgan Stanley Capital<br>Services LLC | 87,400  | (58,869)  |                                    |                                | 28,531   |
| State Street Bank and Trust<br>Co.     | 53,057  | (1,001)   |                                    |                                | 52,056   |
| <b>Total</b>                           | <b>\$ 2,539,310</b>   | <b>\$ (2,340,598)</b>                               |                                    |                                | <b>\$ 198,712</b>                                  |

**BHK**

| Counterparty                   | Derivative<br>Liabilities<br>Subject to an<br>MNA<br>by Counterparty | Derivatives<br>Available<br>for Offset <sup>1</sup> | Non-cash<br>Collateral<br>Pledged | Cash<br>Collateral<br>Pledged <sup>3</sup> | Net Amount<br>of Derivative<br>Liabilities <sup>4</sup> |
|--------------------------------|--|---|-----------------------------------|--|---|
| Bank of America<br>N.A.        | \$ 461,195   | \$(173,991 )  |                                   |  | \$287,204   |
| Barclays Bank PLC              | 526,035  | (90,965)  |                                   | \$ (435,070)                               |   |
| BNP Paribas S.A.               | 923,885  |   |                                   | (870,000)                                  | 53,885  |
| Citibank N.A.                  | 142,710  | (142,710)   |                                   |  |   |
| Credit Suisse<br>International | 575,455  | (43,875)  |                                   | (530,000)                                  | 1,580   |
| Deutsche Bank AG               | 4,638,222  | (1,243,174)   |                                   | (2,100,000)                                | 1,295,048   |
| Goldman Sachs<br>Bank USA      | 257,336  | (37,486)  |                                   |  | 219,850   |
| HSBC Bank USA,<br>N.A.         | 173,043  |   |                                   |  | 173,043   |
|                                | 1,914,009  | (548,527)   |                                   | (1,365,482)                                |   |

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|                                       |                     |                       |                       |                     |
|---------------------------------------|---------------------|-----------------------|-----------------------|---------------------|
| JPMorgan Chase Bank N.A. <sup>5</sup> |                     |                       |                       |                     |
| Morgan Stanley Capital Services LLC   | 58,869              | (58,869)              |                       |                     |
| Standard Chartered Bank               | 700                 |                       |                       | 700                 |
| State Street Bank and Trust Co.       | 1,001               | (1,001)               |                       |                     |
| <b>Total</b>                          | <b>\$ 9,672,460</b> | <b>\$ (2,340,598)</b> | <b>\$ (5,300,552)</b> | <b>\$ 2,031,310</b> |

**HYT**

| <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</b> | <b>Cash Collateral Received<sup>5</sup></b> | <b>Net Amount of Derivative Assets<sup>2</sup></b> |
|---------------------------------|--|---|-------------------------------------|---|--|
| Bank of America N.A.            | \$ 50,861  | \$(50,861 )   |                                     |   |  |
| Barclays Bank PLC               | 8,059  |   |                                     |   | \$ 8,059   |
| Citibank N.A.                   | 3,456,844  |   |                                     |   | 3,456,844  |
| Deutsche Bank AG                | 1,406,256  |   |                                     | \$ (1,406,256)                              |  |
| Goldman Sachs Bank USA          | 1,055,488  | (330,868)   |                                     |   | 724,620  |
| Goldman Sachs International     | 97,708   | (7,419)   |                                     | (90,289)                                    |  |
| State Street Bank and Trust Co. | 19,083   | (19,083)  |                                     |   |  |
| Toronto Dominion Bank           | 49,735   |   |                                     |   | 49,735   |
| UBS AG                          | 2,246,997  | (20,454)  |                                     |   | 2,226,543  |
| <b>Total</b>                    | <b>\$ 8,391,031</b>  | <b>\$ (428,685)</b>                                 |                                     | <b>\$ (1,496,545)</b>                       | <b>\$ 6,465,801</b>                                |

**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</b> | <b>Cash Collateral Pledged</b> | <b>Net Amount of Derivative Liabilities<sup>4</sup></b> |
|-----------------------------|---|---|------------------------------------|--------------------------------|---|
| Bank of America N.A.        | \$ 989,162  | \$(50,861 )   |                                    |                                | \$ 938,301  |
| Goldman Sachs Bank USA      | 330,868   | (330,868)   |                                    |                                |   |
| Goldman Sachs International | 7,419   | (7,419)   |                                    |                                |   |

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|                                    |                     |                     |                   |
|------------------------------------|---------------------|---------------------|-------------------|
| State Street Bank and<br>Trust Co. | 36,389              | (19,083)            | 17,306            |
| UBS AG                             | 20,454              | (20,454)            |                   |
| <b>Total</b>                       | <b>\$ 1,384,292</b> | <b>\$ (428,685)</b> | <b>\$ 955,607</b> |

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## Notes to Financial Statements (continued)

**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</b> | <b>Cash Collateral Received<sup>5</sup></b> | <b>Net Amount of Derivative Assets<sup>2</sup></b> |
|--------------------------|--|---|-------------------------------------|---|--|
| Citibank N.A.            | \$ 439,995   |   |                                     | \$ (439,995)                                |  |
| Goldman Sachs Bank USA   | 218,571  |   |                                     | (218,571)                                   |  |
| JPMorgan Chase Bank N.A. | 3,431,883  | \$ (170,092)  |                                     | (3,261,791)                                 |  |
| UBS AG                   | 57,713   |   | \$(57,713)                          |   |  |
| <b>Total</b>             | <b>\$4,148,162</b>   | <b>\$ (170,092)</b>                                 | <b>\$(57,713)</b>                   | <b>\$(3,920,357)</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>3</sup></b> | <b>Net Amount of Derivative Liabilities<sup>4</sup></b> |
|--------------------------|---|---|------------------------------------|--|---|
| Deutsche Bank AG         | \$ 6,210,250  |   |                                    | \$ (6,210,250)                             |   |
| JPMorgan Chase Bank N.A. | 170,092   | \$ (170,092)  |                                    |  |   |
| <b>Total</b>             | <b>\$ 6,380,342</b>   | <b>\$ (170,092)</b>                                 |                                    | <b>\$ (6,210,250)</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> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>3</sup> Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.

<sup>4</sup> Net amount represents the net amount payable due to the counterparty in the event of default. Net amount may be offset further by the options written receivable/payable on the Statements of Assets and Liabilities.

<sup>5</sup> Excess of collateral received from the individual counterparty is not shown for financial reporting purposes.

**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, 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

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HYT.

The following Trust's investment advisory fee paid to the Manager is computed weekly and payable monthly based on an annual rate of its average total assets (including any assets attributable to borrowings) minus the sum of total liabilities (other than debt representing financial leverage):

---

|     |       |
|-----|-------|
| BHK | 0.50% |
|-----|-------|

Prior to November 10, 2014, BHK paid the manager an investment advisory fee at an annual rate 0.55%.

The following Trust's investment advisory fee paid to the Manager is computed daily and payable monthly based on an annual rate of its average total assets (including any assets attributable to borrowings) minus the sum of total liabilities (other than debt representing financial leverage):

---

|     |       |
|-----|-------|
| HYT | 0.60% |
|-----|-------|

The following Trust's investment advisory fee paid to the Manager is computed weekly and payable monthly based on an annual rate of its average net assets:

---

|     |       |
|-----|-------|
| BKT | 0.65% |
|-----|-------|

BKT has an Administration Agreement with the Manager. The administration fee BKT pays to the Manager is computed weekly and payable monthly based on an annual rate of 0.15% of BKT'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 was discontinued in connection with BHK's reorganization with BNA. For the six months ended February 28, 2015, the Manager waived \$33,047, which is included in fees waived by Manager in the Statements of Operations for BHK.

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Notes to Financial Statements (continued)

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, 2015, the amounts waived were as follows:

|  | BHK | HYT | BKT |
|--|-----|-----|-----|
|--|-----|-----|-----|

|                |         |       |         |
|----------------|---------|-------|---------|
| Amounts waived | \$2,037 | \$694 | \$3,520 |
|----------------|---------|-------|---------|

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.

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.

The Trusts may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment advisor, common officers, or common trustees. For the six months ended February 28, 2015, the purchase and sale transactions with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

|  | Purchases | Sales |
|--|-----------|-------|
|--|-----------|-------|

|     |          |  |
|-----|----------|--|
| HYT | \$42,939 |  |
|-----|----------|--|

**6. Purchases and Sales:**

For the six months ended February 28, 2015, purchases and sales of investments including paydowns, mortgage dollar roll and TBA transactions and excluding short-term securities, were as follows:

**Purchases**

|                                | BHK            | HYT            | BKT            |
|--------------------------------|----------------|----------------|----------------|
| Non-U.S. Government Securities | \$ 174,142,086 | \$ 621,844,251 | \$ 670,677,921 |
| U.S. Government Securities     | 192,819,493    |                | 28,913,384     |
| Total Purchases                | \$ 366,961,579 | \$ 621,844,251 | \$ 699,591,305 |

For the six months ended February 28, 2015, purchases and sales related to mortgage dollar rolls, were as follows:

|  | BHK | HYT | BKT |
|--|-----|-----|-----|
|--|-----|-----|-----|

|           |               |  |                |
|-----------|---------------|--|----------------|
| Purchases | \$ 35,968,602 |  | \$ 401,197,910 |
| Sales     | \$ 36,064,249 |  | \$ 401,475,650 |

**7. Income Tax Information:**

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, except with respect to any taxes related to the Taxable Subsidiaries.



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Each Trust files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Trust U.S. federal tax returns remains open for each of the four years ended August 31, 2014. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Trusts as of February 28, 2015, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Trusts' financial statements.

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Notes to Financial Statements (continued)

As of August 31, 2014, 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                  | BKT                  |
|---------------------------------|---------------------|----------------------|----------------------|
| 2015                            |                     | \$ 5,594,580         |                      |
| 2016                            |                     | 4,056,597            |                      |
| 2017                            | \$ 5,935,470        | 95,246,388           |                      |
| 2018                            |                     | 55,665,607           |                      |
| No expiration date <sup>1</sup> |                     |                      | \$ 15,439,200        |
| <b>Total</b>                    | <b>\$ 5,935,470</b> | <b>\$160,563,172</b> | <b>\$ 15,439,200</b> |

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

As of February 28, 2015, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

|  | BHK             | HYT             | BKT           |
|--|-----------------|-----------------|---------------|
| Tax cost                                   | \$1,116,293,631 | \$2,328,973,420 | \$706,217,053 |
| Gross unrealized appreciation              | \$ 76,235,716   | \$ 89,286,821   | \$ 30,929,907 |
| Gross unrealized depreciation              | (12,156,970)    | (109,627,107)   | (24,247,761)  |
| Net unrealized appreciation (depreciation) | \$ 64,078,746   | \$ (20,340,286) | \$ 6,682,146  |

**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. As of February 28, 2015, HYT has not received any notice to terminate. 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 are included in the Statements of Operations as borrowing costs, if any. Advances to HYT as of February 28, 2015 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, 2015, the average amount of bank borrowings and the daily weighted average interest rate for HYT with loans under the revolving credit agreement were \$684,955,801 and 0.09%, respectively.

**9. Principal Risks:**

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

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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, 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 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.

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Notes to Financial Statements (concluded)

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. Investment percentages in these securities are presented in the Schedules of Investments. 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. BKT is 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.

Shares issued and outstanding for the six months ended February 28, 2015 increased by 26,893,279 due to the reorganization and previously remained constant for the year ended August 31, 2014 for BHK.

Shares issued and outstanding remained constant for the six months ended February 28, 2015 and increased 91,181,428 due to the reorganization during the year ended August 31, 2014 for HYT.

Shares issued and outstanding remained constant during the six months ended February 28, 2015 and the year ended August 31, 2014 for BKT.

HYT filed a final prospectus with the U.S. Securities and Exchange Commission ( SEC ) allowing it to issue an additional 10,425,000 Common Shares through an equity shelf program (a Shelf Offering ). Under the Shelf Offering, HYT, subject to market conditions, may raise additional equity capital from time to time in varying amounts and utilizing various offering methods at a net price at or above HYT s net asset value ( NAV ) per Common Share (calculated within 48 hours of pricing). Please see Additional Information Shelf Offering Program for additional information about the Shelf Offering.

Costs incurred by HYT in connection with the Shelf Offering are recorded as a deferred charge and amortized over 12 months.

**11. Subsequent Events:**

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

The Trusts paid a net investment income dividend in the following amounts per share on March 31, 2015 to shareholders of record on March 13, 2015:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BHK | \$0.075500                               |
| HYT | \$0.070000                               |
| BKT | \$0.031000                               |

Additionally, the Trusts declared a net investment income dividend on April 1, 2015 payable to shareholders of record on April 15, 2015 for the same amounts noted above.

## Important Tax Information

The following information is provided with respect to the ordinary income distributions paid by BlackRock Income Opportunity Trust, Inc. ( BNA ), which completed its reorganization into HYT, during the period ended November 7, 2014.

|   | <b>Record Date</b>        | <b>Percentage</b> |
|---|---------------------------|-------------------|
| Qualified Dividend Income for Individuals <sup>1</sup>                                  | 9/15/2014                 | 8.98%             |
|   | 10/15/2014                | 7.57%             |
|   | 10/27/2014                | 4.91%             |
| Dividends Qualifying for the Dividends Received Deduction for Corporations <sup>1</sup> | 9/15/2014                 | 6.51%             |
|   | 10/15/2014                | 5.70%             |
|   | 10/27/2014                | 4.19%             |
| Interest-Related Dividends for Non-US Residents <sup>2</sup>                            | September-October<br>2014 | 80.05%            |
|   | September-October<br>2014 | 6.77%             |
| Federal Obligation Interest <sup>3</sup>  | 2014                      | 6.77%             |

<sup>1</sup> The Fund hereby designates the percentage indicated above or the maximum amount allowable by law.

<sup>2</sup> Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

The law varies in each state as to whether and what percentage of dividend income attributable to federal obligations is exempt from state income tax. We recommend that you consult your tax advisor to determine if any portion of the dividends you received is exempt from state income taxes.

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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  
 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  
 Jerrold B. Harris, Trustee  
 R. Glenn Hubbard, Trustee  
 W. Carl Kester, Trustee and Member of the Audit Committee  
 Barbara G. Novick, Trustee  
 John M. Perlowski, Trustee, President and Chief Executive Officer  
 Robert W. Crothers, Vice President  
 Neal Andrews, Chief Financial Officer  
 Jay Fife, Treasurer  
 Charles Park, Chief Compliance Officer  
 Janey Ahn, Secretary

Effective September 5, 2014, Brendan Kyne resigned as a Vice President of the Trusts.

Effective December 31, 2014, Paul L. Audet and Henry Gabbay resigned as a Trustee of the Trusts.  
 Effective December 31, 2014, Barbara G. Novick and John M. Perlowski were appointed to serve as Trustees of the Trusts.

**Investment Advisor**  
 BlackRock Advisors, LLC  
 Wilmington, DE 19809

**Transfer Agent**  
 Computershare Trust  
 Company, N.A.  
 Canton, MA 02021

**Custodian and  
 Accounting  
 Agent**  
 State Street Bank  
 and Trust  
 Company  
 Boston, MA  
 02110

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

**Independent  
 Registered  
 Public  
 Accounting  
 Firm**  
 Deloitte &  
 Touche LLP  
 Boston, MA  
 02116

**Address of the  
 Trusts**  
 100 Bellevue  
 Parkway  
 Wilmington, DE  
 19809

Additional Information  
**Proxy Results**

At a special meeting of all shareholders of BlackRock Core Bond Trust ( BHK ) (the Fund ) held on Tuesday, September 30, 2014, 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 Income Trust, Inc. and the Fund, including the issuance of additional common shares of the Fund, in connection with the BlackRock Income Trust, Inc. Reorganization Agreement.                         | 13,353,682           | 1,225,927                | 448,862        |
| To approve the Agreement and Plan of Reorganization between BlackRock Income Opportunity Trust, Inc. and the Fund, including the issuance of additional common shares of the Fund, in connection with the BlackRock Income Opportunity Trust, Inc. Reorganization Agreement. | 13,523,798           | 1,045,110                | 459,563        |

At a special meeting of all shareholders of BlackRock Income Trust, Inc. ( BKT ) (the Fund ) held on Tuesday, September 30, 2014, 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 an Agreement and Plan of Reorganization between the Fund and BlackRock Core Bond Trust and the termination of the Fund's registration under the Investment Company Act of 1940. | 25,091,472           | 16,603,540               | 885,330        |

At a special meeting of all shareholders of BlackRock Income Opportunity Trust, Inc. ( BNA ) (the Fund ) held on Tuesday, September 30, 2014, 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 the Fund and BlackRock Core Bond Trust and the termination of the Fund's registration under the Investment Company Act of 1940. | 19,895,855           | 1,405,089                | 518,302        |

**Dividend Policy**

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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. 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.

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Additional Information (continued)

**General Information**

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

On December 5, 2014, the Board of HYT adopted the following non-fundamental investment policy change: As a non-fundamental investment policy, the Trust may invest up to 25% of its total assets in corporate loans extended to borrowers by commercial banks or other financial institutions. This investment policy change increased the percentage of total assets that HYT may invest in corporate loans from 15% to 25%. As a result of this investment policy change, corporate loans comprise a higher portion of HYT's portfolio, which may increase the Trust's exposure to corporate loans. Please see "Floating Rate Loan Interests" in Note 3 to the Notes to Financial Statements for additional information about corporate loans.

During the period, except as noted above, 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' website or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts' electronic delivery program.

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

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

**Householding**

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded 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.

**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 upon request and without charge (1) 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 check the website for updated performance information and the release of other material information about the Trusts. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

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## Additional Information (continued)

## 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, 2015**

|     | Total Cumulative<br>Distributions for the Fiscal Year-to-Date |                                     |                         | % Breakdown of the Total Cumulative<br>Distributions for the Fiscal<br>Year-to-Date |                             |                                     |                         |                              |
|-----|---|-------------------------------------|-------------------------|---|-----------------------------|-------------------------------------|-------------------------|------------------------------|
|     | Net<br>Investment<br>Income                                   | Net<br>Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share  | Net<br>Investment<br>Income | Net<br>Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share |
| BHK | \$0.307424  |                                     | \$0.315576              | \$0.623000  | 49%                         | 0%                                  | 51%                     | 100%                         |
| HYT | \$0.501813  |                                     | \$0.050187              | \$0.552000  | 91%                         | 0%                                  | 9%                      | 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. Each Trust, other than HYT, has not filed a 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 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.

HYT has filed a final prospectus with the SEC in connection with its Shelf Offering. This report and the prospectus are not offers to sell HYT Common Shares or solicitations of an offer to buy HYT Common Shares in any jurisdiction where such offers or sales are not permitted. The prospectus contains important information about HYT, including its investment objectives, risks, charges and expenses. Investors are urged to read the prospectus of HYT carefully and in its entirety before investing. A copy of the final prospectus for HYT can be obtained from BlackRock at <http://www.blackrock.com>.

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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 intended for current holders. 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-2/15-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~~
- Item 6 ~~Investments~~
- (a) The registrant’s Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.
- (b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.
- Item 7 ~~Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – Not Applicable to this semi-annual report~~
- Item 8 ~~Portfolio Managers of Closed-End Management Investment Companies~~
- (a) Not Applicable to this semi-annual report
- (b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.
- Item 9 ~~Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable~~
- Item 10 ~~Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.~~
- Item 11 ~~Controls and Procedures~~
- (a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- (b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.
- Item 12 ~~Exhibits attached hereto~~
- (a)(1) – Code of Ethics – Not Applicable to this semi-annual report
- (a)(2) – Certifications – Attached hereto
- (a)(3) – Not Applicable
- (b) – Certifications – Attached hereto

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Core Bond Trust

By: /s/ John M. Perlowski

John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Core Bond Trust

Date: May 1, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski

John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Core Bond Trust

Date: May 1, 2015

By: /s/ Neal J. Andrews

Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Core Bond Trust

Date: May 1, 2015