

BLACKROCK CORPORATE HIGH YIELD FUND III INC  
Form N-Q  
January 29, 2010  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-08497

Name of Fund: BlackRock Corporate High Yield Fund III, Inc. (CYE)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Corporate High Yield Fund III, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055.

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

Date of fiscal year end: 02/28/2010

Date of reporting period: 11/30/2009

Item 1 Schedule of Investments

---

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**

Schedule of Investments November 30, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Common Stocks	Shares	Value
<b>Auto Components - 0.7%</b>	Federal-Mogul Corp., Class A (a)	76,700	\$ 1,035,450
	Lear Corp. (a)	8,985	565,979
			1,601,429
<b>Building Products - 0.5%</b>	Masonite Worldwide Holdings (a)	34,575	1,210,125
<b>Capital Markets - 0.2%</b>	E*Trade Financial Corp. (a)	296,000	485,440
<b>Chemicals - 0.1%</b>	Solutia, Inc. (a)	14,000	150,780
	Wellman Holdings, Inc. (a)	1,522	381
			151,161
<b>Communications Equipment - 0.9%</b>	Loral Space & Communications Ltd. (a)	64,095	2,122,185
<b>Diversified Financial Services - 0.0%</b>	Citigroup, Inc.	1	4
<b>Diversified Telecommunication Services - 0.2%</b>	Qwest Communications International, Inc.	150,000	547,500
<b>Electrical Equipment - 0.0%</b>	Medis Technologies Ltd. (a)	70,784	4,743
	SunPower Corp., Class B (a)	778	13,903
			18,646
<b>Food Products - 0.0%</b>	Pilgrim s Pride Corp.	6,334	37,877
<b>Hotels, Restaurants &amp; Leisure - 0.0%</b>	Buffets Restaurants Holdings, Inc. (a)	1,099	7,693
<b>Household Durables - 0.3%</b>	Beazer Homes USA, Inc. (a)	129,500	556,850
	Standard-Pacific Corp. (a)	15,000	47,850
			604,700
<b>Media - 0.2%</b>	Sirius XM Radio, Inc. (a)	865,000	544,950
<b>Paper &amp; Forest Products - 0.2%</b>	Ainsworth Lumber Co. Ltd.	125,117	243,026
	Ainsworth Lumber Co. Ltd. (a)(b)	140,415	273,038
	Western Forest Products, Inc. (a)(b)	45,762	8,455
	Western Forest Products, Inc. (a)	158,023	29,197
			553,716
<b>Software - 0.1%</b>	TiVo, Inc. (a)	31,000	306,900
<b>Wireless Telecommunication Services - 0.4%</b>	iPCS, Inc. (a)	33,057	793,699

<b>Total Common Stocks - 3.8%</b>				8,986,025
<b>Corporate Bonds</b>				<b>Par (000)</b>
<b>Airlines - 2.2%</b>	American Airlines, Inc., 10.50%, 10/15/12 (b)	USD	580	585,800
	American Airlines Pass-Through Trust, Series 2001-02, 7.86%, 4/01/13		400	398,000
	Continental Airlines, Inc., Series 1997-4-B, 6.90%, 7/02/18 (c)		699	639,148
	Continental Airlines, Inc., Series 2001-1-C, 7.03%, 12/15/12		315	295,647
	Continental Airlines, Inc., Series 2003-RJ, 7.88%, 1/02/20 Delta Air Lines, Inc., 9.50%, 9/15/14 (b)		470	380,320
			140	142,100

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
 Schedule of Investments November 30, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
	Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	USD 600	\$ 600,000
	United Air Lines, Inc., 12.75%, 7/15/12	2,100	2,136,750
			5,177,765
<b>Auto Components - 1.1%</b>	Allison Transmission, Inc., 11.00%, 11/01/15 (b)	416	430,560
	Delphi International Holdings Unsecured, 12.00%, 10/06/14	91	89,282
	The Goodyear Tire & Rubber Co., 7.86%, 8/15/11	1,450	1,486,250
	The Goodyear Tire & Rubber Co., 8.63%, 12/01/11	552	565,110
			2,571,202
<b>Automobiles - 0.3%</b>	Ford Capital BV, 9.50%, 6/01/10	785	810,512
<b>Biotechnology - 0.3%</b>	QHP Pharma, 10.25%, 3/15/15 (b)	710	718,115
<b>Building Products - 0.6%</b>	Associated Materials LLC, 9.88%, 11/15/16 (b)	440	459,800
	Ply Gem Industries, Inc., 11.75%, 6/15/13	910	869,050
			1,328,850
<b>Capital Markets - 0.5%</b>	E*Trade Financial Corp., 3.39%, 8/31/19 (b)(d)(e)	244	380,945
	E*Trade Financial Corp., Series A, 3.64%, 8/31/19 (d)(e)	7	10,929
	Marsico Parent Co., LLC, 10.63%, 1/15/16	1,073	633,070
	Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(f)	461	99,161
	Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(f)	318	68,400
			1,192,505
<b>Chemicals - 2.1%</b>	American Pacific Corp., 9.00%, 2/01/15	880	820,600
	ArCo Chemical Co., 9.80%, 2/01/20 (a)	85	70,125
	Huntsman International LLC, 6.88%, 11/15/13 (b)	EUR 280	380,492
	Huntsman International LLC, 5.50%, 6/30/16 (b)	USD 545	472,787
	Innophos, Inc., 8.88%, 8/15/14	825	841,500
	Lyondell Chemical Worldwide, Inc., 10.25%, 11/01/10 (a)(g)	120	99,000
	MacDermid, Inc., 9.50%, 4/15/17 (b)	1,260	1,247,400
	Wellman Holdings, Inc., Second Lien Subordinate Note, 10.00%, 1/29/19 (b)(d)	844	844,000
	Wellman Holdings, Inc., Third Lien Subordinate Note, 5.00%, 1/29/19 (b)(d)	262	131,000

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

				4,906,904
<b>Commercial Banks - 0.1%</b>	Glitnir Banki HF, 4.15%, 4/20/10 (a)(b)(g)		111	23,865
	Glitnir Banki HF, 6.38%, 9/25/12 (a)(b)(g)		500	107,500
	Glitnir Banki HF, Series EMTN, 5.07%, 1/27/10 (a)(g)	EUR	50	15,766
	Glitnir Banki HF, Series EMTN, 3.00%, 6/30/10 (a)(g)		45	14,190
	Glitnir Banki HF, Series GMTN, 4.38%, 2/05/10		50	15,766
				177,087
<b>Commercial Services &amp; Supplies - 4.2%</b>	ACCO Brands Corp., 10.63%, 3/15/15 (b)	USD	250	269,687
	Altegrity, Inc., 10.50%, 11/01/15 (b)		700	602,000
	ISS Financing, 11.00%, 6/15/14	EUR	277	448,512
	International Lease Finance Corp., 5.63%, 9/20/13	USD	135	106,244
	International Lease Finance Corp., 5.65%, 6/01/14		770	586,571
	RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		585	630,338

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
 Schedule of Investments November 30, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds		Par (000)	Value
	Scientific Games International, Inc., 9.25%, 6/15/19	USD	855	\$ 888,131
	Waste Services, Inc., 9.50%, 4/15/14		3,000	3,075,000
	West Corp., 9.50%, 10/15/14		950	926,250
	West Corp., 11.00%, 10/15/16		2,410	2,428,075
				9,960,808
<b>Construction Materials - 1.2%</b>	Nortek, Inc., 10.00%, 12/01/13 (a)		2,145	2,198,625
	Texas Industries, Inc., 7.25%, 7/15/13		785	759,488
				2,958,113
<b>Consumer Finance - 0.2%</b>	Ford Motor Credit Co. LLC, 3.03%, 1/13/12 (h)		215	194,897
	Ford Motor Credit Co. LLC, 7.80%, 6/01/12		200	199,844
	Ford Motor Credit Co. LLC, 8.00%, 12/15/16		180	179,270
				574,011
<b>Containers &amp; Packaging - 4.5%</b>	Berry Plastics Corp., 4.13%, 9/15/14 (h)		1,765	1,376,700
	Berry Plastics Escrow LLC, 8.88%, 9/15/14 (b)		470	428,875
	Crown European Holdings SA, 6.25%, 9/01/11	EUR	75	115,994
	Graphic Packaging International, Inc., 9.50%, 8/15/13	USD	65	66,625
	Graphic Packaging International, Inc., 9.50%, 6/15/17		840	886,200
	Impress Holdings BV, 3.41%, 9/15/13 (b)(h)		420	394,275
	Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13		1,000	1,020,000
	Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14	EUR	155	223,430
	Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	USD	1,355	1,002,700
	Pregis Corp., 12.38%, 10/15/13		1,200	1,140,000
	Rock-Tenn Co., 8.20%, 8/15/11		2,000	2,100,000
	Smurfit Kappa Acquisitions, 7.25%, 11/15/17	EUR	495	709,819
	Smurfit Kappa Acquisitions, 7.75%, 11/15/19		470	682,791
	Solo Cup Co., 10.50%, 11/01/13 (b)	USD	475	499,938
				10,647,347
<b>Diversified Consumer Services - 1.2%</b>	Service Corp. International, 7.00%, 6/15/17		3,000	2,895,000
<b>Diversified Financial Services - 6.3%</b>	Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		520	568,100
	FCE Bank Plc, 7.88%, 2/15/11	GBP	700	1,131,410
	FCE Bank Plc, 7.13%, 1/16/12	EUR	2,850	4,086,834
	FCE Bank Plc, 7.13%, 1/15/13		1,050	1,474,143
	GMAC LLC, 7.25%, 3/02/11 (b)	USD	464	453,560
	GMAC LLC, 6.88%, 9/15/11 (b)		500	481,250
	GMAC LLC, 6.88%, 8/28/12 (b)		600	568,500
	GMAC LLC, 2.46%, 12/01/14 (b)(h)		884	685,100
	GMAC LLC, 6.75%, 12/01/14 (b)		1,300	1,163,500

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

GMAC LLC, 8.00%, 11/01/31 (b)		1,140	977,550
General Motors Acceptance Corp. of Canada Ltd., 6.00%, 5/25/10	CAD	300	278,889

3

---

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
 Schedule of Investments November 30, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
	Leucadia National Corp., 8.13%, 9/15/15	USD 1,325	\$ 1,341,562
	Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)	1,200	1,212,000
	Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16	EUR 400	591,609
			15,014,007
<b>Diversified Services - 4.7%</b>	Broadview Networks Holdings, Inc., 11.38%, 9/01/12	USD 1,035	962,550
	GCI, Inc., 8.63%, 11/15/19 (b)	1,200	1,200,000
	Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)	1,445	1,517,250
	Qwest Communications International, Inc., 7.50%, 2/15/14	2,020	1,999,800
	Qwest Communications International, Inc., 8.00%, 10/01/15 (b)	600	600,000
	Qwest Communications International, Inc., 3.50%, 11/15/25 (d)	1,010	1,008,738
	Qwest Communications International, Inc., Series B, 7.50%, 2/15/14	1,730	1,712,700
	Qwest Corp., 7.63%, 6/15/15	525	534,188
	Qwest Corp., 8.38%, 5/01/16 (b)	680	710,600
	Windstream Corp., 8.13%, 8/01/13	1,010	1,032,725
			11,278,551
<b>Electric Utilities - 1.1%</b>	NSG Holdings LLC, 7.75%, 12/15/25 (b)	1,030	921,850
	Tenaska Alabama Partners LP, 7.00%, 6/30/21 (b)	1,835	1,730,604
			2,652,454
<b>Electronic Equipment, Instruments &amp; Components - 0.1%</b>	Jabil Circuit, Inc., 7.75%, 7/15/16	295	303,850
<b>Energy Equipment &amp; Services - 0.6%</b>	Compagnie Generale de Geophysique-Veritas, 7.50%, 5/15/15	215	212,850
	Compagnie Generale de Geophysique-Veritas, 7.75%, 5/15/17	320	316,400
	North American Energy Alliance LLC, 10.88%, 6/01/16 (b)	545	568,163
	North American Energy Partners, Inc., 8.75%, 12/01/11	375	371,250
			1,468,663
<b>Food &amp; Staples Retailing - 0.8%</b>	AmeriQual Group LLC, 9.50%, 4/01/12 (b)	800	680,000
	Duane Reade, Inc., 11.75%, 8/01/15 (b)	165	177,787
	Rite Aid Corp., 9.75%, 6/12/16	410	442,800
	Rite Aid Corp., 10.25%, 10/15/19 (b)	510	518,925



Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

			1,819,512
<b>Food Products - 0.3%</b>	Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	780	817,050
<b>Health Care Equipment &amp; Supplies - 1.2%</b>	DJO Finance LLC, 10.88%, 11/15/14	1,670	1,757,675
	Hologic, Inc., 2.00%, 12/15/37 (d)(i)	1,385	1,121,850
			2,879,525
<b>Health Care Providers &amp; Services - 1.1%</b>	Community Health Systems, Inc., Series WI, 8.88%, 7/15/15	210	214,200
4			

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
	LifePoint Hospitals, Inc., 3.50%, 5/15/14 (d)	USD 110	\$ 98,313
	Tenet Healthcare Corp., 9.00%, 5/01/15 (b)	1,564	1,653,930
	Tenet Healthcare Corp., 10.00%, 5/01/18 (b)	644	716,450
			2,682,893
<b>Hotels, Restaurants &amp; Leisure - 2.8%</b>	American Real Estate Partners LP, 7.13%, 2/15/13	3,045	2,984,100
	Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(b)(g)	559	116,691
	Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(g)	1,550	620,000
	Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(g)	1,290	322,500
	MGM Mirage, 11.13%, 11/15/17 (b)	820	897,900
	San Pasqual Casino, 8.00%, 9/15/13 (b)	975	918,938
	Scientific Games Corp., 0.75%, 12/01/24 (d)(i)	280	278,250
	Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b)	60	43,500
	Travelport LLC, 4.88%, 9/01/14 (h)	160	134,400
	Travelport LLC, 9.88%, 9/01/14	210	210,000
	Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(g)	305	1,144
	Virgin River Casino Corp., 9.00%, 1/15/12 (a)(g)	940	192,700
			6,720,123
<b>Household Durables - 2.3%</b>	Beazer Homes USA, Inc., 12.00%, 10/15/17 (b)	1,100	1,188,000
	Jarden Corp., 8.00%, 5/01/16	275	283,250
	K Hovnanian Enterprises, Inc., 10.63%, 10/15/16 (b)	1,820	1,856,400
	KB Home, 6.38%, 8/15/11	29	29,072
	KB Home, 9.10%, 9/15/17	215	223,600
	Standard Pacific Corp., 6.25%, 4/01/14	365	322,113
	Standard Pacific Corp., 7.00%, 8/15/15	375	330,938
	Standard Pacific Escrow LLC, 10.75%, 9/15/16 (b)	1,225	1,212,750
			5,446,123
<b>IT Services - 1.3%</b>	Alliance Data Systems Corp., 1.75%, 8/01/13 (d)	1,380	1,350,675
	First Data Corp., 9.88%, 9/24/15	155	137,950
	First Data Corp., 11.25%, 3/31/16	2,070	1,707,750
			3,196,375
<b>Independent Power Producers &amp; Energy Traders - 3.3%</b>	The AES Corp., 8.75%, 5/15/13 (b)	1,070	1,088,725
	AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29	610	524,600

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

	Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,260	1,266,300
	Energy Future Holdings Corp., 11.25%, 11/01/17 (f)	3,579	2,236,737
	NRG Energy, Inc., 7.25%, 2/01/14	1,625	1,639,219
	NRG Energy, Inc., 7.38%, 2/01/16	1,000	995,000
	Texas Competitive Electric Holdings Co. LLC, 10.50%, 11/01/16 (f)	191	121,309
			7,871,890
<b>Industrial Conglomerates - 2.4%</b>	Icahn Enterprises LP, 4.00%, 8/15/13 (d)(h)	255	213,563
	Sequa Corp., 11.75%, 12/01/15 (b)	2,340	2,082,600

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
	Sequa Corp., 13.50%, 12/01/15 (b)(f)	USD 3,825	\$ 3,327,680
			5,623,843
<b>Insurance - 0.9%</b>	Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,700	1,674,500
	USI Holdings Corp., 4.15%, 11/15/14 (b)(h)	680	540,600
			2,215,100
<b>Internet &amp; Catalog Retail - 0.1%</b>	NetFlix, Inc., 8.50%, 11/15/17 (b)	355	363,875
<b>Leisure Equipment &amp; Products - 0.5%</b>	Brunswick Corp., 11.25%, 11/01/16 (b)	745	832,537
	Easton-Bell Sports, Inc., 9.75%, 12/01/16 (b)(j)	280	285,250
			1,117,787
<b>Life Sciences Tools &amp; Services - 0.1%</b>	Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 (b)	175	182,437
<b>Machinery - 1.3%</b>	AGY Holding Corp., 11.00%, 11/15/14	1,280	1,043,200
	Navistar International Corp., 3.00%, 10/15/14 (d)	510	480,675
	Navistar International Corp., 8.25%, 11/01/21	1,000	982,500
	RBS Global, Inc., 9.50%, 8/01/14 (b)	218	216,910
	RBS Global, Inc., 8.88%, 9/01/16	450	389,250
			3,112,535
<b>Marine - 1.2%</b>	Horizon Lines, Inc., 4.25%, 8/15/12 (d)	2,230	1,761,700
	Navios Maritime Holdings, Inc., 9.50%, 12/15/14	367	361,036
	Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)	500	512,500
	Trico Shipping AS, 11.88%, 11/01/14 (b)	330	334,538
			2,969,774
<b>Media - 11.2%</b>	Affinion Group, Inc., 10.13%, 10/15/13	1,945	1,983,900
	CCO Holdings LLC, 8.75%, 11/15/13	555	611,194
	CMP Susquehanna Corp., 3.52%, 5/15/14 (b)(h)	160	3,200
	CSC Holdings, Inc., 8.50%, 4/15/14 (b)	390	409,987
	CSC Holdings, Inc., Series B, 7.63%, 4/01/11	225	232,875
	Cablevision Systems Corp., Series B, 8.00%, 4/15/12	1,515	1,594,537
	Catalina Marketing Corp., 10.50%, 10/01/15 (b)(f)	1,000	1,020,000
	Charter Communications Holdings II, LLC, 13.50%, 11/30/16	543	644,456
	Charter Communications Operating, LLC, 10.00%, 4/30/12 (b)(i)	500	508,750
		670	681,725

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

Charter Communications Operating, LLC, 10.38%, 4/30/14 (b)(i)		
EchoStar DBS Corp., 7.00%, 10/01/13	90	90,000
Harland Clarke Holdings Corp., 6.00%, 5/15/15 (h)	350	287,875
Harland Clarke Holdings Corp., 9.50%, 5/15/15	420	394,275
Intelsat Corp., 9.25%, 6/15/16	1,850	1,868,500
Intelsat Subsidiary Holding Co. Ltd., 8.88%, 1/15/15 (b)	260	262,600
Liberty Global, Inc., 4.50%, 11/15/16 (b)(d)	590	583,363
Liberty Media Corp., 3.13%, 3/30/23 (d)	1,113	1,111,609

6

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
	Lighthouse International Co. SA, 8.00%, 4/30/14 (b)	EUR 177	\$ 158,135
	Lighthouse International Co. SA, 8.00%, 4/30/14	406	362,729
	Lions Gate Entertainment, Inc., 10.25%, 11/01/16 (b)	USD 370	359,825
	Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17	573	343,800
	Network Communications, Inc., 10.75%, 12/01/13	30	12,075
	Nielsen Finance LLC, 11.63%, 2/01/14	180	193,500
	Nielsen Finance LLC, 10.00%, 8/01/14	1,890	1,951,425
	ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(d)(g)	850	807,410
	Rainbow National Services LLC, 8.75%, 9/01/12 (b)	440	446,600
	Rainbow National Services LLC, 10.38%, 9/01/14 (b)	1,582	1,657,145
	TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	3,950	3,663,625
	TVN Finance Corp. Plc, 10.75%, 11/15/17	EUR 300	454,969
	UPC Germany GmbH, 8.13%, 12/01/17 (b)	USD 600	600,000
	UPC Holding BV, 9.88%, 4/15/18 (b)	500	520,000
	Unitymedia GmbH, 9.63%, 12/01/19	EUR 995	1,477,231
	Unitymedia Hessen GmbH, 8.13%, 12/01/17	695	1,031,835
	Virgin Media, Inc., 6.50%, 11/15/16 (b)(d)	USD 430	499,875
			26,829,025
<b>Metals &amp; Mining - 5.3%</b>	Aleris International, Inc., 9.00%, 12/15/14 (a)(g)	1,035	3,881
	Aleris International, Inc., 10.00%, 12/15/16 (a)(g)	800	3,000
	Drummond Co., Inc., 9.00%, 10/15/14 (b)	875	892,500
	Drummond Co., Inc., 7.38%, 2/15/16 (b)	225	212,062
	FMG Finance Property Ltd., 10.00%, 9/01/13 (b)	535	559,075
	FMG Finance Property Ltd., 10.63%, 9/01/16 (b)	1,295	1,411,550
	Foundation PA Coal Co., 7.25%, 8/01/14	1,975	1,979,937
	GoldCorp., Inc., 2.00%, 8/01/14 (b)(d)	190	223,250
	Murray Energy Corp., 10.25%, 10/15/15 (b)	845	828,100
	New World Resources NV, 7.38%, 5/15/15	EUR 625	854,005
	Novelis, Inc., 7.25%, 2/15/15	USD 1,975	1,782,438
	Novelis, Inc., 11.50%, 2/15/15 (b)	430	447,200
	Ryerson, Inc., 7.66%, 11/01/14 (h)	400	353,000
	Ryerson, Inc., 12.00%, 11/01/15	265	269,638
	Steel Dynamics, Inc., 7.38%, 11/01/12	460	458,850
	Teck Resources Ltd., 10.25%, 5/15/16	300	339,000
	Teck Resources Ltd., 10.75%, 5/15/19	1,150	1,342,625
	Vedanta Resources Plc, 9.50%, 7/18/18 (b)	640	635,200
			12,595,311
<b>Multiline Retail - 0.3%</b>	Dollar General Corp., 10.63%, 7/15/15	238	259,420
	Dollar General Corp., 11.88%, 7/15/17 (f)	131	146,392
	Saks, Inc., 9.88%, 10/01/11	295	305,325
			711,137

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

---

<b>Oil, Gas &amp; Consumable Fuels - 7.0%</b>	Arch Coal, Inc., 8.75%, 8/01/16 (b)	310	319,300
	Atlas Energy Operating Co. LLC, 12.13%, 8/01/17	500	558,750

---

7

---

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
 Schedule of Investments November 30, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
	Atlas Energy Resources LLC, 10.75%, 2/01/18 (b)	USD 260	\$ 282,750
	Berry Petroleum Co., 8.25%, 11/01/16	510	497,250
	Bill Barrett Corp., 9.88%, 7/15/16	240	253,200
	Chesapeake Energy Corp., 2.25%, 12/15/38 (d)	800	593,000
	Connacher Oil and Gas Ltd., 11.75%, 7/15/14 (b)	175	190,750
	Connacher Oil and Gas Ltd., 10.25%, 12/15/15 (b)	1,145	990,425
	Corral Finans AB, 5.28%, 4/15/10 (b)(f)	1,709	1,410,059
	EXCO Resources, Inc., 7.25%, 1/15/11	1,460	1,452,700
	Encore Acquisition Co., 6.25%, 4/15/14	2,000	1,995,000
	Forest Oil Corp., 7.25%, 6/15/19	1,120	1,061,200
	Massey Energy Co., 3.25%, 8/01/15 (d)	1,750	1,443,750
	OPTI Canada, Inc., 9.00%, 12/15/12 (b)	1,340	1,336,650
	OPTI Canada, Inc., 8.25%, 12/15/14	540	432,000
	PetroHawk Energy Corp., 10.50%, 8/01/14	555	600,788
	PetroHawk Energy Corp., 7.88%, 6/01/15	460	458,850
	Range Resources Corp., 8.00%, 5/15/19	400	418,000
	Sabine Pass LNG LP, 7.50%, 11/30/16	390	323,700
	SandRidge Energy, Inc., 8.63%, 4/01/15 (f)	120	115,200
	SandRidge Energy, Inc., 9.88%, 5/15/16 (b)	500	512,500
	SandRidge Energy, Inc., 8.00%, 6/01/18 (b)	990	933,075
	Teekay Shipping Corp., 8.88%, 7/15/11	575	592,250
			16,771,147
<b>Paper &amp; Forest Products - 4.6%</b>	Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(f)	1,079	658,477
	Boise Paper Holdings LLC, 9.00%, 11/01/17 (b)	380	387,600
	Clearwater Paper Corp., 10.63%, 6/15/16 (b)	390	429,000
	Georgia-Pacific Corp., 8.13%, 5/15/11	150	157,875
	Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	1,600	1,696,000
	NewPage Corp., 10.00%, 5/01/12	785	506,325
	NewPage Corp., 11.38%, 12/31/14 (b)	5,810	5,722,850
	Verso Paper Holdings LLC, 11.50%, 7/01/14 (b)	335	365,150
	Verso Paper Holdings LLC, Series B, 4.03%, 8/01/14 (h)	280	210,000
	Verso Paper Holdings LLC, Series B, 9.13%, 8/01/14	1,065	979,800
			11,113,077
<b>Pharmaceuticals - 1.1%</b>	Angiotech Pharmaceuticals, Inc., 4.01%, 12/01/13 (h)	1,530	1,262,250
	Elan Corp. Plc, 8.75%, 10/15/16 (b)	740	695,600
	Elan Finance Plc, 8.88%, 12/01/13	105	102,900
	Valeant Pharmaceuticals International, 8.38%, 6/15/16 (b)	545	561,350
			2,622,100



<b>Real Estate Management Development</b>			
<b>- 1.2%</b>	Forest City Enterprises, Inc., 7.63%, 6/01/15	1,425	1,211,250
	Realty Corp., 10.50%, 4/15/14	540	434,700
	Realty Corp., 12.38%, 4/15/15	2,078	1,309,140
			2,955,090

<b>Semiconductors &amp; Semiconductor Equipment - 0.9%</b>	Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)	930	877,687
	Spansion, Inc., 3.79%, 6/01/13 (a)(b)(g)	1,215	1,263,600
			2,141,287

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
<b>Software - 0.0%</b>	BMS Holdings, Inc., 8.35%, 2/15/12 (b)(f)(h)	USD 436	\$ 8,717
<b>Specialty Retail - 1.8%</b>	Asbury Automotive Group, Inc., 7.63%, 3/15/17	350	320,250
	General Nutrition Centers, Inc., 10.75%, 3/15/15	1,285	1,304,275
	Group 1 Automotive, Inc., 2.25%, 6/15/36 (d)(i)	1,055	774,106
	Limited Brands, Inc., 8.50%, 6/15/19 (b)	785	828,175
	United Auto Group, Inc., 7.75%, 12/15/16	1,110	1,073,925
			4,300,731
<b>Textiles, Apparel &amp; Goods - 1.0%</b>	Levi Strauss & Co., 8.63%, 4/01/13	EUR 900	1,317,607
	Quiksilver, Inc., 6.88%, 4/15/15	USD 1,350	1,032,750
			2,350,357
<b>Thrifts &amp; Mortgage Finance - 0.5%</b>	Residential Capital Corp., 8.38%, 6/30/10	2,035	1,180,300
<b>Trading Companies &amp; Distributors - 0.2%</b>	United Rentals North America, Inc., 9.25%, 12/15/19	570	560,025
<b>Wireless Services - 6.0%</b>	Cricket Communications, Inc., 9.38%, 11/01/14	2,035	1,958,687
	Cricket Communications, Inc., 10.00%, 7/15/15	1,390	1,348,300
	Digicel Group Ltd., 8.88%, 1/15/15 (b)	1,370	1,328,900
	Digicel Group Ltd., 9.13%, 1/15/15 (b)(f)	1,983	1,913,595
	FiberTower Corp., 11.00%, 11/15/12 (d)(f)	668	565,973
	iPCS, Inc., 2.41%, 5/01/13 (h)	815	719,237
	MetroPCS Wireless, Inc., 9.25%, 11/01/14	2,285	2,290,712
	NII Holdings, Inc., 2.75%, 8/15/25 (d)	930	920,700
	Nextel Communications, Inc., Series D, 7.38%, 8/01/15	130	120,250
	Nextel Communications, Inc., Series E, 6.88%, 10/31/13	1,730	1,643,500
	Nextel Communications, Inc., Series F, 5.95%, 3/15/14	110	99,550
	Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)	275	231,000
	Sprint Capital Corp., 6.88%, 11/15/28	1,520	1,140,000
			14,280,404
	<b>Total Corporate Bonds - 92.0%</b>		220,073,294
	<b>Floating Rate Loan Interests (h)</b>		
<b>Aerospace &amp; Defense - 0.2%</b>	Hawker Beechcraft Acquisition Co. LLC, Letter of Credit Facility Deposit, 0.18% - 2.28%, 3/26/14	14	10,426
	Hawker Beechcraft Acquisition Co. LLC, Term Loan, 2.23% - 2.29%, 3/26/14	236	176,199
	Hawker Beechcraft, Term Loan B, 2.23%, 3/26/14	275	267,781

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

			454,406
<b>Auto Components - 1.7%</b>	Allison Transmission, Inc., Term Loan, 2.99% - 3.04%, 8/07/14	2,272	1,988,130
	Dana Holding Corp., Term Advance, 6.50% - 7.25%, 1/31/15	2,425	2,164,733
			4,152,863
<b>Automobiles - 0.5%</b>	Ford Motor Co., Term Loan, 3.24% - 3.29%, 12/15/13	1,220	1,069,081
<b>Building Products - 1.2%</b>	CPG International I Inc., Term Loan, 5.26%, 2/28/11	3,259	2,932,688
<b>Capital Markets - 0.1%</b>	Marsico Parent Co., LLC, Term Loan, 5.00% - 5.06%, 12/15/14	456	286,080

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
 Schedule of Investments November 30, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Floating Rate Loan Interests (h)	Par (000)	Value
<b>Chemicals - 0.8%</b>	PQ Corp. (fka Niagara Acquisition, Inc.), Loan (Second Lien), 6.74%, 7/30/15	USD 1,175	\$ 962,661
	PQ Corp. (fka Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.49% - 3.54%, 7/30/14	741	651,750
	Solutia Inc., Loan, 7.25%, 2/28/14	361	364,823
			1,979,234
<b>Consumer Finance - 1.0%</b>	DaimlerChrysler Financial Services Americas LLC, Term Loan (First Lien), 4.24%, 8/03/12	2,500	2,402,083
<b>Diversified Financial Services - 1.1%</b>	CIT Group, Term Loan A, 9.50%, 1/20/2012	2,525	2,572,344
<b>Diversified Telecommunication Services - 2.2%</b>	Wind Finance SL SA, Facility (Second Lien), 7.68%, 12/17/14	EUR 3,460	5,225,843
<b>Food &amp; Staples Retailing - 0.5%</b>	Rite Aid Corp., Tranche 4, Term Loan, 9.50%, 6/10/15	USD 1,250	1,285,416
<b>Health Care Providers &amp; Services - 2.3%</b>	HCA Inc., Tranche A-1, Term Loan, 1.78%, 11/17/12	5,010	4,651,734
	Rotech Healthcare Inc., Term Loan, 6.28%, 9/26/11	1,056	881,862
			5,533,596
<b>Hotels, Restaurants &amp; Leisure - 1.2%</b>	Travelport LLC (fka Travelport Inc.), Loan, 8.28%, 3/27/12	3,119	2,775,966
<b>IT Services - 0.1%</b>	First Data Corp., Initial Tranche B-1, Term Loan, 2.99% - 3.04%, 9/24/14	348	289,751
<b>Independent Power Producers &amp; Energy Traders - 1.5%</b>	Texas Competitive Electric Holdings Co., LLC (TXU), Initial Tranche B-1 Term Loan, 3.75% - 3.78%, 10/10/14	217	161,240
	Texas Competitive Electric Holdings Co., LLC (TXU), Initial Tranche B-2 Term Loan, 3.74% - 3.78%, 10/10/14	1,310	975,449
	Texas Competitive Electric Holdings Co., LLC (TXU), Initial Tranche B-3 Term Loan, 3.74% - 3.78%, 10/10/14	3,430	2,533,436
			3,670,125
<b>Machinery - 0.3%</b>	Accuride, Debtor In Possession Term Loan, 10.00%, 10/07/10	182	182,000
	Navistar Financial Corp., Tranche A Term Loan, 2.25%, 3/27/10	499	490,594

<b>Media - 2.8%</b>	Affinion Group Holdings, Inc., Loan, 8.27%, 3/01/12	419	371,916
	Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,728	1,700,043
	HMH Publishing Co. Ltd., Mezzanine, 17.50%, 11/14/14	545	109,029
	HMH Publishing Co. Ltd., Tranche A Term Loan, 5.28%, 6/12/14	2,648	2,247,197
	New Vision Exit, Term Loan, 13.00%, 10/01/12	61	60,971
	Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,200	1,256,000
	Protostar Ltd., Debtor in Possession Term Loan, 18.00%, 1/15/10	170	170,261

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Floating Rate Loan Interests (h)	Par (000)	Value
	Virgin Media Investment Holdings Ltd., C Facility, 3.58%, 7/17/13	GBP 255	\$ 389,550
	World Color Press Inc. and World Color (USA) Corp. (fka Quebecor World Inc.), Advance, 9.00%, 7/23/12	USD 499	500,345
			6,805,312
<b>Multiline Retail - 0.1%</b>	The Neiman Marcus Group Inc., Term Loan, 2.24% - 2.32%, 4/06/13	129	109,667
<b>Oil, Gas &amp; Consumable Fuels - 0.7%</b>	Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18	2,278	1,708,698
<b>Paper &amp; Forest Products - 0.2%</b>	Verso Paper Finance Holdings LLC, Loan, 6.53% - 7.28%, 2/01/13	1,275	458,938
<b>Real Estate Management Development - 0.2%</b>	Realogy Corp., Initial Term B Loan, 3.29%, 10/10/13	401	339,929
	Realogy Corp., Synthetic Letter of Credit, 3.15%,	129	109,113
			449,042
<b>Specialty Retail - 0.4%</b>	Claire's Stores, Term Loan B, 3.03%, 5/29/14	279	217,494
	New Look Group Plc, 9.57%, 11/30/15 (f)	GBP 500	760,853
			978,347
	<b>Total Floating Rate Loan Interests - 19.1%</b>		45,812,074
	<b>Preferred Stocks</b>	<b>Shares</b>	
<b>Capital Markets - 0.0%</b>	Marsico Parent Superholdco, LLC, 16.75% (b)	72	16,200
<b>Diversified Financial Services - 0.2%</b>	GMAC, Inc., 7.00% (b)	590	356,968
<b>Media - 0.0%</b>	CMP Susquehanna Radio Holdings Corp., 0.00% (a)(b)(h)	37,314	
	<b>Total Preferred Securities - 0.2%</b>		373,168
	<b>Other Interests (k)</b>	<b>Beneficial Interest (000)</b>	
<b>Auto Components - 2.3%</b>	Delphi Debtor in Possession Hold Co. LLP, Class B Membership Interests	USD 1	5,484,761
	Lear Corp. Escrow	895	9

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

		5,484,770	
<b>Hotels, Restaurants &amp; Leisure - 0.0%</b>	Buffets, Inc.	575	58
<b>Media - 0.0%</b>	Adelphia Escrow	750	75
	Adelphia Recovery Trust	941	3,762
	New Vision LLC Holdings	5	40,876
		44,713	
<b>Total Other Interests - 2.3%</b>		5,529,541	
	<b>Warrants (I)</b>	<b>Shares</b>	
<b>Auto Components - 0.1%</b>	Lear Corp. (expires 11/09/14)	3,505	215,586
<b>Containers &amp; Packaging -</b>	MDP Acquisitions Plc (expires 10/01/13)	700	29,410
<b>Health Care Providers &amp; Services - 0.0%</b>	HealthSouth Corp. (expires 1/16/14)	32,042	
<b>Hotels, Restaurants &amp; Leisure - 0.0%</b>	Buffets Restaurants Holdings, Inc. (expires 4/29/14)	485	5

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Warrants (l)	Shares	Value
<b>Media - 0.0%</b>	CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (b)	42,640	
	New Vision Holdings LLC (expires 9/30/14)	22,447	\$ 224
			224
<b>Oil, Gas &amp; Consumable Fuels - 0.0%</b>	Turbo Cayman Ltd. (No Expiration)	1	
	<b>Total Warrants - 0.1%</b>		245,225
	<b>Total Long-Term Investments</b> (Cost - \$294,595,440) - 117.5%		281,019,327
	<b>Short-Term Securities</b>		
	BlackRock Liquidity Funds, TempFund, Institutional Class, 0.16% (m)(n)	2,205,050	2,205,050
	<b>Total Short-Term Securities</b> (Cost - \$2,205,050) - 0.9%		2,205,050
	<b>Options Purchased</b>	<b>Contracts</b>	
<b>Over-the-Counter Call Options</b>	Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/21/19, Broker Goldman Sachs Group, Inc.	19	19,000
	<b>Total Options Purchased</b> (Cost - \$18,578) - 0.0%		19,000
	<b>Total Investments (Cost - \$296,819,068*) - 118.4%</b>		283,243,377
	<b>Liabilities in Excess of Other Assets - (18.4)%</b>		(43,933,742)
	<b>Net Assets - 100.0%</b>		\$ 239,309,635

\* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2009, as computed for federal income tax purposes, were as follows:

Aggregate cost \$ 298,489,789

Gross  
unrealized  
appreciation \$ 14,635,346



Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

Gross unrealized depreciation	(29,881,758)
-------------------------------	--------------

Net unrealized depreciation	\$ (15,246,412)
-----------------------------	-----------------

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

Counterparty	Value	Unrealized Appreciation
JPMorgan Chase Bank NA	\$ 258,250	\$ 8,708

- (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

- (l) Warrants entitle the Fund 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.
- (m) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Co. Act of 1940, were as follows:

Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	\$ 2,205,050	\$ 5,422
BlackRock Liquidity Series, LLC Cash Sweep Series	\$ (8,370,522)	\$ 2,506

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

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

Foreign currency exchange contracts as of November 30, 2009 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 562,065	CAD 584,000	Goldman Sachs & Co.	1/27/10	\$ 8,726
USD 20,119,998	EUR 13,526,500	Citibank NA	1/20/10	(187,043)
USD 1,807,027	GBP 1,109,000	Citibank NA	1/27/10	(16,680)
<b>Total</b>				<b>\$ (194,997)</b>

Credit default swaps on single-name issues - buy protection outstanding as of November 30, 2009 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
--------	-------------------	--------------	------------	-----------------------------	--

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

Beazer Homes USA, Inc.	5.00%	Credit Suisse International	December 2011	USD	500	\$	5,647
K Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs International	December 2011	USD	510		(6,833)
K Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2013	USD	1,000		(23,699)
Louisiana-Pacific Corp.	5.00%	JPMorgan Chase Bank NA	March 2014	USD	500		(127,726)
Macy's, Inc.	8.05%	Goldman Sachs Bank USA	March 2014	USD	600		(127,550)
Masco Corp.	5.85%	Goldman Sachs Bank USA	March 2014	USD	750		(103,524)
Mohawk Industries, Inc.	4.70%	Goldman Sachs Bank USA	March 2014	USD	750		(71,105)
Tyson Foods, Inc.	4.25%	Goldman Sachs Bank USA	March 2014	USD	400		(25,136)

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Centex Corp.	1.00%	Deutsche Bank	June 2014	USD 250	\$ (5,815)
First Data Corp.	5.00%	Credit Suisse International	June 2014	USD 250	(20,816)
Brunswick Corp.	5.00%	Goldman Sachs Bank USA	September 2014	USD 200	(11,291)
Centex Corp.	1.00%	Deutsche Bank	September 2014	USD 188	342
Ford Motor Co.	5.00%	Deutsche Bank	September 2014	USD 400	5,416
Ford Motor Co.	5.00%	Deutsche Bank	September 2014	USD 400	(308)
Limited Brands, Inc.	1.00%	Goldman Sachs Bank USA	September 2014	USD 850	(3,636)
Limited Brands, Inc.	1.00%	JPMorgan Chase Bank NA	September 2014	USD 100	(353)
Pulte Homes, Inc.	1.00%	JPMorgan Chase Bank NA	September 2014	USD 375	9,607
Boston Scientific Corp.	1.00%	Goldman Sachs Bank USA	December 2014	USD 525	6,321
<b>Total</b>					<b>\$ (500,459)</b>

Credit default swaps on single-name issues - sold protection outstanding as of November 30, 2009 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Depreciation
D.R. Horton, Inc.	1.00%	JPMorgan Chase Bank NA	September 2014	BB-	USD 188	\$ (5,095)

<sup>1</sup> Using Standard & Poor's rating of the issuer.

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

Credit default swaps on traded indexes - buy protection outstanding as of November 30, 2009 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation
--------	----------------	--------------	------------	-----------------------	-------------------------

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

Dow Jones CDX North America High Yield      5.00%      Credit Suisse International      December 2014      USD      1,213 \$      14,691

---

Currency Abbreviations:

**CAD** Canadian Dollar

**EUR** Euro

**GBP** British Pound

**USD** US Dollar

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

Fair Value Measurements - Various inputs are used in determining the fair value of investments, which are as follows:

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

The following table summarizes the inputs used as of November 30, 2009 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities
	Assets
Level 1	
Long-Term Investments:	
Common Stocks	\$ 8,712,606
Short-Term Securities	2,205,050
<b>Total Level 1</b>	<b>10,917,656</b>
Level 2	
Long-Term Investments:	
Common Stocks	273,038
Corporate Bonds	217,598,402
Floating Rate Loan Interests	24,446,388
Preferred Stocks	373,168
Warrants	245,001
<b>Total Level 2</b>	<b>242,935,997</b>
Level 3	
Long-Term Investments:	
Common Stocks	381
Corporate Bonds	2,474,892
Floating Rate Loan Interests	21,365,686
Other Interests	5,529,541
Warrants	224

Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

Total Level 3	29,370,724
---------------	------------

---

<b>Total</b>	<b>\$ 283,224,377</b>
--------------	-----------------------

---

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**  
**Schedule of Investments November 30, 2009 (Unaudited)**

Valuation Inputs	Other Financial Instruments <sup>1</sup>	
	Assets	Liabilities
Level 1		
Level 2	\$ 69,750	\$ (736,610)
Level 3		
<b>Total</b>	<b>\$ 69,750</b>	<b>\$ (736,610)</b>

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

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

Investments in Securities						
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Total
Balance as of February 28, 2009	\$ 381	\$ 1,607,922	\$ 16,334,395	\$ 3,837		\$ 17,946,535
Accrued discounts/premiums						
Realized gain (loss)		(9,745)	(5,563,953)			(5,573,698)
Change in unrealized appreciation/depreciation <sup>2</sup>	(7,693)	327,176	20,637,491	4		20,956,978
Net purchase (sales)		3,000	(10,547,910)			(10,544,910)
Net transfer in/out of Level 3	7,693	546,539	505,663	5,525,700	\$ 224	6,585,819
<b>Balance as of November 30, 2009</b>	<b>\$ 381</b>	<b>\$ 2,474,892</b>	<b>\$ 21,365,686</b>	<b>\$ 5,529,541</b>	<b>\$ 224</b>	<b>\$ 29,370,724</b>

<sup>2</sup> The change in unrealized appreciation/depreciation on securities still held at November 30, 2009 was \$10,375,722.



## Edgar Filing: BLACKROCK CORPORATE HIGH YIELD FUND III INC - Form N-Q

### Item 2 Controls and Procedures

2(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 13(a)-15(b) under the Securities Exchange Act of 1934, as amended.

2(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 registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

### Item 3 Exhibits

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

BlackRock Corporate High Yield Fund III, Inc.

By: /s/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer of  
BlackRock Corporate High Yield Fund III, Inc.

Date: January 22, 2010

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/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer (principal executive officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: January 22, 2010

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: January 22, 2010