

BLACKROCK SENIOR HIGH INCOME FUND, INC.

Form N-CSR

May 01, 2013

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-07456

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Senior High Income Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 02/28/2013

Date of reporting period: 02/28/2013

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Item 1 Report to Stockholders

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FEBRUARY 28, 2013

ANNUAL REPORT

BlackRock Corporate High Yield Fund, Inc. (COY)

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

BlackRock Debt Strategies Fund, Inc. (DSU)

BlackRock Senior High Income Fund, Inc. (ARK)

Not FDIC Insured May Lose Value No Bank Guarantee

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Dear Shareholder

Despite a number of headwinds, risk assets generated strong returns during the 6- and 12-month periods as investors sought meaningful yields in the ongoing low-interest-rate environment. About this time one year ago, the European debt crisis returned to the headlines as unresolved policy decisions left it unclear as to how troubled peripheral countries would finance their sovereign debt, causing yields to soar. In the second quarter of 2012, political instability in Greece and severe deficit and liquidity problems in Spain raised the specter of a full-blown euro collapse. Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, emerged as a particular concern. As the outlook for the global economy worsened, however, investors grew increasingly optimistic that the world's largest central banks would soon intervene to stimulate growth. This theme, along with the announcement of the European Central Bank's (ECB's) firm commitment to preserve the euro currency bloc, drove most asset classes higher through the summer. Policy relief came in early September, when the ECB announced its decision to support the eurozone's debt-laden countries with unlimited purchases of short term sovereign debt. Days later, the US Federal Reserve announced its own much-anticipated stimulus package.

Although financial markets world-wide were buoyed by accommodative monetary policies, risk assets weakened in the fall. Global trade began to slow as many European countries fell into recession and growth continued to decelerate in China, where a once-a-decade leadership change compounded uncertainty. In the United States, stocks slid on lackluster corporate earnings reports and market volatility rose in advance of the US Presidential election. In the post-election environment, investors grew increasingly concerned over the fiscal cliff, the automatic tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. There was widespread fear that the fiscal cliff would push the United States into recession unless politicians could agree upon alternate measures to reduce the deficit before the end of 2012. Worries that bipartisan gridlock would preclude a timely budget deal triggered higher levels of volatility in financial markets around the world in the months leading up to the last day of the year. Ultimately, the worst of the fiscal cliff was averted with a last-minute tax deal; however, decisions relating to spending cuts and the debt ceiling continued to weigh on investors' minds.

Investors shook off the nerve-racking finale to 2012 and began the New Year with a powerful equity rally. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaled modest but broad-based improvements in the world's major economies, particularly in China. Global equities soared through January while rising US Treasury yields pressured high-quality fixed income assets. However, bond markets strengthened in February when economic momentum slowed and investors toned down their risk appetite. US stocks continued to rise, but at a more moderate pace. Uncertainty about how long the Federal Reserve would maintain its easing bias drove high levels of volatility later in the month, but these fears abated as the budget sequester (automatic spending cuts scheduled to take effect March 1) began to appear imminent and was deemed likely to deter any near-term curtailment of monetary easing policies. Outside the United States, equities largely declined as political uncertainty escalated after the Italian presidential election ended in a stalemate.

On the whole, riskier asset classes outperformed lower-risk investments for the 6- and 12-month periods ended February 28, 2013. International, US small cap and emerging market equities were the leading asset classes for the 6-month period, while US stocks and high yield bonds generated the strongest returns for the 12-month period. US Treasury yields remained relatively low overall, but have inched higher in recent months, pressuring Treasuries and investment-grade bonds. Tax-exempt municipal bonds, however, continued to benefit from favorable supply-and-demand dynamics. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Investors continue to face many of the same risks as in years past. But we see a world of possibilities. BlackRock was built to provide the global market insight, breadth of capabilities, unbiased investment advice and deep risk management expertise these times require. Investors everywhere are asking, *So what do I do with my money?* Visit www.blackrock.com for answers.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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Despite a number of headwinds, risk assets generated strong returns during the 6- and 12-month periods as investors sought meaningful yields in the ongoing low-interest-rate environment.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of February 28, 2013

| | 6-month | 12-month |
|--|----------------|-----------------|
| US large cap equities (S&P 500® Index) | 8.95% | 13.46% |
| US small cap equities (Russell 2000® Index) | 13.02 | 14.02 |
| International equities (MSCI Europe, Australasia, Far East Index) | 14.41 | 9.84 |
| Emerging market equities (MSCI Emerging Markets Index) | 12.06 | 0.28 |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index) | 0.05 | 0.11 |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index) | (1.51) | 3.66 |
| US investment grade bonds (Barclays US Aggregate Bond Index) | 0.15 | 3.12 |
| Tax-exempt municipal bonds (S&P Municipal Bond Index) | 2.40 | 5.71 |
| US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index) | 6.67 | 11.79 |

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of February 28, 2013

BlackRock Corporate High Yield Fund, Inc.

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended February 28, 2013, the Fund returned 12.44% based on market price and 15.53% based on net asset value (NAV). For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 12.75% based on market price and 15.06% based on NAV. All returns reflect reinvestment of dividends. The Fund's premium 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?

Security selection among the lower quality tiers of high yield credit had a positive impact on performance. From an industry perspective, holdings within non-captive diversified (finance companies), media cable and building materials boosted returns. The Fund's exposure to select common stocks and preferred securities also enhanced results.

Detracting from performance was security selection within middle quality tier credits, where the Fund held its quality bias. On an industry basis, selection in metals, paper and independent energy impaired results. The Fund's tactical allocation to floating rate loan interests (bank loans) hindered relative performance as the asset class underperformed high yield bonds during the period.

Describe recent portfolio activity.

As risk markets and high yield bond prices continued to surge over the period, the Fund moderated its risk positioning. The Fund maintained its focus on higher-quality income-oriented credit names with stable fundamentals, good earnings/revenue visibility and an attractive coupon rate. The Fund remained generally cautious of cyclical credits that tend to be more vulnerable to slower economic growth and bouts of weakness, but allowed some risk in companies with positive growth catalysts or idiosyncratic characteristics. Also during the period, the Fund increased exposure to floating rate loan interests as valuations appeared increasingly attractive relative to certain segments of the high yield universe such as higher-quality short-dated paper.

Describe portfolio positioning at period end.

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At period end, the Fund held 75% of its total portfolio in corporate bonds and 17% in floating rate loan interests, with the remainder in common stocks, preferred securities and other interests. The Fund held its largest industry exposures in healthcare, wirelines and gaming, while reflecting less emphasis on the riskier, more volatile segments of the market such as the banking sector and supermarkets and restaurant industries.

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.

Table of Contents**BlackRock Corporate High Yield Fund, Inc.****Fund Information**

| | |
|---|---------------|
| Symbol on New York Stock Exchange (NYSE) | COY |
| Initial Offering Date | June 25, 1993 |
| Yield on Closing Market Price as of February 28, 2013 (\$8.04) ¹ | 7.61% |
| Current Monthly Distribution per Common Share ² | \$0.051 |
| Current Annualized Distribution per Common Share ² | \$0.612 |
| Economic Leverage as of February 28, 2013 ³ | 27% |

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 12.

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

| | 2/28/13 | 2/29/12 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$ 8.04 | \$ 7.76 | 3.61% | \$ 8.29 | \$ 6.63 |
| Net Asset Value | \$ 7.76 | \$ 7.29 | 6.45% | \$ 7.81 | \$ 7.00 |

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

Portfolio Composition

| | 2/28/13 | 2/29/12 |
|------------------------------|---------|---------|
| Corporate Bonds | 75% | 80% |
| Floating Rate Loan Interests | 17 | 12 |
| Common Stocks | 7 | 5 |
| Preferred Securities | 1 | 2 |
| Other Interests | | 1 |

Credit Quality Allocation⁴

| | 2/28/13 | 2/29/12 |
|-----------|---------|---------|
| A | | 1% |
| BBB/Baa | 6% | 6 |
| BB/Ba | 36 | 42 |
| B | 46 | 40 |
| CCC/Caa | 10 | 10 |
| Not Rated | 2 | 1 |

⁴ Using the higher of S&P's or Moody's ratings.

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Fund Summary as of February 28, 2013

BlackRock Corporate High Yield Fund III, Inc.

Fund Overview

BlackRock Corporate High Yield Fund III, Inc.'s (CYE) (the Fund) primary investment objective is to provide current income by investing primarily in fixed-income securities, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P's or Baa or lower by Moody's) or are unrated securities of comparable quality. The Fund's secondary investment objective is to provide capital appreciation. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended February 28, 2013, the Fund returned 11.20% based on market price and 16.16% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 12.75% based on market price and 15.06% based on NAV. All returns reflect reinvestment of dividends. The Fund's premium 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?

Security selection among the lower quality tiers of high yield credit had a positive impact on performance. From an industry perspective, holdings within non-captive diversified (finance companies), media cable and building materials boosted returns. The Fund's exposure to select common stocks and preferred securities also enhanced results.

Detracting from performance was security selection within middle quality tier credits, where the Fund held its quality bias. On an industry basis, selection in metals, paper and independent energy impaired results. The Fund's tactical allocation to floating rate loan interests (bank loans) hindered relative performance as the asset class underperformed high yield bonds during the period.

Describe recent portfolio activity.

As risk markets and high yield bond prices continued to surge over the period, the Fund moderated its risk positioning. The Fund maintained its focus on higher-quality income-oriented credit names with stable fundamentals, good earnings/revenue visibility and an attractive coupon rate. The Fund remained generally cautious of cyclical credits that tend to be more vulnerable to slower economic growth and bouts of weakness, but allowed some risk in companies with positive growth catalysts or idiosyncratic characteristics. Also during the period, the Fund increased exposure to floating rate loan interests as valuations appeared increasingly attractive relative to certain segments of the high yield universe such as higher-quality short-dated paper.

Describe portfolio positioning at period end.

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At period end, the Fund held 73% of its total portfolio in corporate bonds and 19% in floating rate loan interests, with the remainder in common stocks and preferred securities. The Fund held its largest industry exposures in healthcare, wirelines and gaming, while reflecting less emphasis on the riskier, more volatile segments of the market such as the banking sector and supermarkets and restaurant industries.

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 III, Inc.

Fund Information

| | |
|---|------------------|
| Symbol on NYSE | CYE |
| Initial Offering Date | January 30, 1998 |
| Yield on Closing Market Price as of February 28, 2013 (\$7.89) ¹ | 7.98% |
| Current Monthly Distribution per Common Share ² | \$0.0525 |
| Current Annualized Distribution per Common Share ² | \$0.6300 |
| Economic Leverage as of February 28, 2013 ³ | 28% |

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 12.

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

| | 2/28/13 | 2/29/12 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$ 7.89 | \$ 7.75 | 1.81% | \$ 8.19 | \$ 7.10 |
| Net Asset Value | \$ 7.88 | \$ 7.41 | 6.34% | \$ 7.93 | \$ 7.11 |

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

Portfolio Composition

| | 2/28/13 | 2/29/12 |
|------------------------------|---------|---------|
| Corporate Bonds | 73% | 77% |
| Floating Rate Loan Interests | 19 | 15 |
| Common Stocks | 6 | 6 |
| Preferred Securities | 2 | 2 |

Credit Quality Allocation⁴

| | 2/28/13 | 2/29/12 |
|-----------|---------|---------|
| A | 1% | 1% |
| BBB/Baa | 5 | 7 |
| BB/Ba | 36 | 38 |
| B | 45 | 43 |
| CCC/Caa | 10 | 10 |
| Not Rated | 3 | 1 |

⁴ Using the higher of S&P's or Moody's ratings.

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Fund Summary as of February 28, 2013

BlackRock Debt Strategies Fund, Inc.

Fund Overview

BlackRock Debt Strategies Fund, Inc.'s (DSU) (the Fund) primary investment objective is to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P's or Baa or lower by Moody's) or unrated debt instruments, which are in the judgment of the investment adviser of equivalent quality. The Fund's secondary objective is to provide capital appreciation. Corporate loans include senior and subordinated corporate loans, both secured and unsecured. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended February 28, 2013, the Fund returned 16.87% based on market price and 14.78% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 12.75% based on market price and 15.06% based on NAV. All returns reflect reinvestment of dividends. The Fund began the period with neither a discount nor a premium to NAV, and ended the period with a premium to NAV, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection among lower quality securities (including both bonds and loans) had a positive impact on performance. From an industry perspective, holdings within chemicals, consumer cyclical services and gaming boosted returns. The Fund's exposure to select common stocks and preferred securities also enhanced results.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund's allocation to floating rate loan interests did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the independent energy and media non-cable industries hindered returns for the period.

Describe recent portfolio activity.

As risk markets and high yield bond prices continued to surge over the period, the Fund moderated its risk positioning. Fund management continued to maintain a positive view on high yield and floating rate loan interest assets overall, but turned its focus toward purchasing higher-quality income-oriented credit names with stable fundamentals and an attractive coupon rate. The Fund remained generally cautious of cyclical credits that tend to be more vulnerable to slower economic growth and bouts of weakness, but allowed some risk in companies with positive growth catalysts or idiosyncratic characteristics.

Describe portfolio positioning at period end.

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At period end, the Fund held 53% of its total portfolio in floating rate loan interests and 41% in corporate bonds, with the remainder in asset-backed securities, common stocks and other interests. The Fund held its largest industry exposures in healthcare, consumer services (housing-related) and chemicals, while reflecting less emphasis on the riskier, more volatile segments of the market such as food and beverage and supermarkets.

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BlackRock Debt Strategies Fund, Inc.

Fund Information

| | |
|---|----------------|
| Symbol on NYSE | DSU |
| Initial Offering Date | March 27, 1998 |
| Yield on Closing Market Price as of February 28, 2013 (\$4.46) ¹ | 7.26% |
| Current Monthly Distribution per Common Share ² | \$0.027 |
| Current Annualized Distribution per Common Share ² | \$0.324 |
| Economic Leverage as of February 28, 2013 ³ | 29% |

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 12.

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

| | 2/28/13 | 2/29/12 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$ 4.46 | \$ 4.13 | 7.99% | \$ 4.62 | \$ 3.91 |
| Net Asset Value | \$ 4.38 | \$ 4.13 | 6.05% | \$ 4.39 | \$ 4.00 |

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

Portfolio Composition

| | 2/28/13 | 2/29/12 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 53% | 54% |
| Corporate Bonds | 41 | 43 |
| Asset-Backed Securities | 3 | 1 |
| Common Stocks | 2 | 1 |
| Other Interests | 1 | 1 |

Credit Quality Allocation⁴

| | 2/28/13 | 2/29/12 |
|---------|---------|---------|
| A | 1% | 1% |
| BBB/Baa | 6 | 5 |
| BB/Ba | 34 | 36 |
| B | 45 | 45 |
| CCC/Caa | 10 | 8 |

Not Rated

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⁴ Using the higher of S&P's or Moody's ratings.

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Fund Summary as of February 28, 2013

BlackRock Senior High Income Fund, Inc.

Fund Overview

BlackRock Senior High Income Fund, Inc. s (ARK) (the Fund) investment objective is to provide high current income by investing principally in senior debt obligations of companies, including corporate loans made by banks and other financial institutions and both privately placed and publicly offered corporate bonds and notes. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended February 28, 2013, the Fund returned 15.32% based on market price and 13.08% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 12.75% based on market price and 15.06% based on NAV. All returns reflect reinvestment of dividends. The Fund 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?

Security selection had a positive impact on performance. From an industry perspective, holdings within chemicals and gaming boosted returns. The Fund s exposure to select common stocks and preferred securities also enhanced results.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund s allocation to floating rate loan interests did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the independent energy and media non-cable industries hindered returns for the period.

Describe recent portfolio activity.

As risk markets and high yield bond prices continued to surge over the period, the Fund moderated its risk positioning. Fund management continued to maintain a positive view on high yield and floating rate loan interest assets overall, but turned its focus toward purchasing higher-quality income-oriented credit names with stable fundamentals and an attractive coupon rate. The Fund remained generally cautious of cyclical credits that tend to be more vulnerable to slower economic growth and bouts of weakness, but allowed some risk in companies with positive growth catalysts or idiosyncratic characteristics.

Describe portfolio positioning at period end.

At period end, the Fund held 54% of its total portfolio in floating rate loan interests and 42% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund held its largest industry exposures in healthcare, wirelines and chemicals, while reflecting less emphasis on the riskier, more volatile segments of the market such as food and beverage and supermarkets.

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Table of Contents**BlackRock Senior High Income Fund, Inc.****Fund Information**

| | |
|---|----------------|
| Symbol on NYSE | ARK |
| Initial Offering Date | April 30, 1993 |
| Yield on Closing Market Price as of February 28, 2013 (\$4.34) ¹ | 6.91% |
| Current Monthly Distribution per Common Share ² | \$0.025 |
| Current Annualized Distribution per Common Share ² | \$0.300 |
| Economic Leverage as of February 28, 2013 ³ | 28% |

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 12.

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

| | 2/28/13 | 2/29/12 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$ 4.34 | \$ 4.06 | 6.90% | \$ 4.60 | \$ 3.80 |
| Net Asset Value | \$ 4.35 | \$ 4.15 | 4.82% | \$ 4.37 | \$ 4.03 |

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

Portfolio Composition

| | 2/28/13 | 2/29/12 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 54% | 56% |
| Corporate Bonds | 42 | 41 |
| Asset-Backed Securities | 3 | 2 |
| Common Stocks | 1 | 1 |

Credit Quality Allocation⁴

| | 2/28/13 | 2/29/12 |
|-----------|---------|---------|
| A | 1% | 1% |
| BBB/Baa | 7 | 6 |
| BB/Ba | 37 | 39 |
| B | 51 | 48 |
| CCC/Caa | 1 | 3 |
| Not Rated | 3 | 3 |

⁴ Using the higher of S&P's or Moody's ratings.

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

The Funds may utilize leverage through a credit facility. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

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

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

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

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Funds are permitted to issue senior securities representing indebtedness up to 33 ¹/₃% of their total managed assets (each Fund's net assets plus the proceeds of any outstanding borrowings). In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of February 28, 2013, the Funds had aggregate economic leverage from borrowings through a credit facility as a percentage of their total managed assets as follows:

| | Percent of Economic Leverage |
|-----|---|
| COY | 27% |
| CYE | 28% |

| | |
|-----|-----|
| DSU | 29% |
| ARK | 28% |

Derivative Financial Instruments

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

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Consolidated Schedule of Investments February 28, 2013

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|-------------|--------------|
| Auto Components 0.8% | | |
| Dana Holding Corp. | 109,649 | \$ 1,834,428 |
| Delphi Automotive Plc (a) | 8,200 | 340,518 |
| | | 2,174,946 |
| Biotechnology 0.0% | | |
| Ironwood Pharmaceuticals, Inc. (a) | 6,540 | 97,642 |
| Capital Markets 1.7% | | |
| American Capital Ltd. (a) | 257,408 | 3,598,564 |
| E*Trade Financial Corp. (a) | 68,100 | 729,351 |
| Uranium Participation Corp. (a) | 33,680 | 174,401 |
| | | 4,502,316 |
| Chemicals 0.5% | | |
| ADA-ES, Inc. (a) | 1,670 | 44,372 |
| CF Industries Holdings, Inc. | 3,200 | 642,656 |
| Huntsman Corp. | 31,600 | 544,468 |
| | | 1,231,496 |
| Commercial Banks 0.6% | | |
| CIT Group, Inc. (a) | 36,681 | 1,535,467 |
| Communications Equipment 0.2% | | |
| Loral Space & Communications Ltd. | 11,463 | 667,605 |
| Containers & Packaging 0.0% | | |
| Smurfit Kappa Plc | 3,634 | 56,360 |
| Diversified Financial Services 0.8% | | |
| Bank of America Corp. | 22,100 | 248,183 |
| Kcad Holdings I Ltd. | 269,089,036 | 1,816,351 |
| | | 2,064,534 |
| Diversified Telecommunication Services 0.2% | | |
| Broadview Networks Holdings, Inc. (a) | 32,500 | 217,425 |
| Level 3 Communications, Inc. (a) | 20,920 | 417,981 |
| | | 635,406 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (a) | 67,974 | 1 |
| Energy Equipment & Services 0.8% | | |
| Laricina Energy Ltd. | 35,294 | 1,197,857 |
| Osum Oil Sands Corp. | 74,000 | 977,697 |
| | | 2,175,554 |
| Hotels, Restaurants & Leisure 0.2% | | |
| Caesars Entertainment Corp. (a) | 39,748 | 496,850 |
| Travelport LLC | 70,685 | 707 |
| | | 497,557 |
| Insurance 1.1% | | |
| American International Group, Inc. (a) | 76,001 | 2,888,798 |
| Media 1.3% | | |
| Belo Corp., Class A | 20,724 | 179,055 |
| Charter Communications, Inc., Class A (a) | 38,669 | 3,340,615 |
| Clear Channel Outdoor Holdings, Inc., Class A (a) | 8,934 | 67,899 |
| | | 3,587,569 |

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| Common Stocks | Shares | Value |
|--|-----------|------------|
| Metals & Mining 0.1% | | |
| African Minerals Ltd. (a) | 40,400 | \$ 172,616 |
| Peninsula Energy Ltd. (a) | 6,975,317 | 233,057 |
| | | 405,673 |
| Oil, Gas & Consumable Fuels 0.0% | | |
| African Petroleum Corp. Ltd. (a) | 180,300 | 34,992 |
| Paper & Forest Products 0.6% | | |
| Ainsworth Lumber Co. Ltd. (a) | 146,558 | 464,722 |
| Ainsworth Lumber Co. Ltd. (a)(b) | 41,686 | 131,778 |
| NewPage Corp. | 7,740 | 657,900 |
| Western Forest Products, Inc. (a) | 147,968 | 188,659 |
| Western Forest Products, Inc. (a) | 41,528 | 50,337 |
| | | 1,493,396 |
| Semiconductors & Semiconductor Equipment 0.3% | | |
| Freescale Semiconductor Ltd. (a) | 3,716 | 57,338 |
| NXP Semiconductors NV (a) | 8,710 | 281,507 |
| Spanion, Inc., Class A (a) | 37,172 | 437,143 |
| SunPower Corp. (a) | 123 | 1,444 |
| | | 777,432 |
| Software 0.1% | | |
| Bankruptcy Management Solutions, Inc. (a) | 468 | 4 |
| HMH Holdings/EduMedia (a) | 19,102 | 350,202 |
| | | 350,206 |
| Total Common Stocks 9.3% | | 25,176,950 |

| Corporate Bonds | Par (000) | |
|--|--------------|-----------|
| Aerospace & Defense 1.0% | | |
| Bombardier, Inc., 4.25%, 1/15/16 (b) | USD 560 | 581,000 |
| Huntington Ingalls Industries, Inc.: | | |
| 6.88%, 3/15/18 | 145 | 157,959 |
| 7.13%, 3/15/21 | 235 | 256,150 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 796 | 878,585 |
| Meccanica Holdings USA, Inc., | | |
| 6.25%, 7/15/19 (b) | 405 | 416,170 |
| Spirit Aerosystems, Inc., 7.50%, 10/01/17 | 309 | 327,540 |
| | | 2,617,404 |
| Air Freight & Logistics 0.4% | | |
| National Air Cargo Group, Inc.: | | |
| Series 1, 12.38%, 9/02/15 | 510 | 513,043 |
| Series 2, 12.38%, 8/16/15 | 517 | 519,451 |
| | | 1,032,494 |
| Airlines 1.7% | | |
| American Airlines Pass-Through Trust, | | |
| Series 2011-2, Class A, 8.63%, 4/15/23 | 623 | 648,240 |
| Continental Airlines Pass-Through Trust: | | |
| Series 1997-4, Class B, 6.90%, 7/02/18 | 181 | 183,540 |
| Series 2010-1, Class B, 6.00%, 7/12/20 | 326 | 336,142 |
| Series 2012-3, Class C, 6.13%, 4/29/18 | 850 | 847,875 |

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Consolidated Schedules of Investments, the names and

AUD Australian Dollar
CAD Canadian Dollar
DIP Debtor-In-Possession

GBP British Pound
LIBOR London Interbank Offered Rate
PIK Payment in-Kind

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descriptions of many of the securities have been abbreviated according to the following list:

| | | | |
|---------------|--|--------------------|-------------------------------------|
| EBITDA | Earnings Before Interest, Taxes, Depreciation and Amortization | S&P TBA | Standard and Poor's To Be Announced |
| EUR | Euro | USD | US Dollar |
| FKA | Formerly Known As | | |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Airlines (concluded) | | | |
| Delta Air Lines Pass-Through Trust: | | | |
| Series 2002-1, Class G-1, 6.72%, 7/02/24 | USD | 531 | \$ 587,797 |
| Series 2009-1, Class B, 9.75%, 6/17/18 | | 167 | 185,363 |
| Series 2010-1, Class B, 6.38%, 7/02/17 | | 447 | 465,997 |
| US Airways Pass-Through Trust: | | | |
| Series 2011-1, Class C, 10.88%, 10/22/14 | | 517 | 545,386 |
| Series 2012-1, Class C, 9.13%, 10/01/15 | | 390 | 417,300 |
| Series 2012-2, Class B, 6.75%, 12/03/22 | | 300 | 313,500 |
| | | | 4,531,140 |
| Auto Components 2.0% | | | |
| Continental Rubber of America Corp., 4.50%, 9/15/19 (b) | | 150 | 153,000 |
| Dana Holding Corp., 6.75%, 2/15/21 | | 410 | 446,388 |
| Delphi Corp.: | | | |
| 6.13%, 5/15/21 | | 65 | 70,850 |
| 5.00%, 2/15/23 | | 140 | 145,775 |
| Icahn Enterprises LP, 8.00%, 1/15/18 | | 2,775 | 2,972,719 |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (b) | | 355 | 388,725 |
| Jaguar Land Rover Automotive Plc (FKA Jaguar Land Rover Plc), 8.25%, 3/15/20 | GBP | 439 | 746,702 |
| Titan International, Inc., 7.88%, 10/01/17 | USD | 430 | 461,175 |
| | | | 5,385,334 |
| Beverages 0.1% | | | |
| Crown European Holdings SA: | | | |
| 7.13%, 8/15/18 | EUR | 71 | 100,341 |
| 7.13%, 8/15/18 (b) | | 174 | 245,907 |
| | | | 346,248 |
| Building Products 0.9% | | | |
| Building Materials Corp. of America (b): | | | |
| 7.00%, 2/15/20 | USD | 500 | 541,250 |
| 6.75%, 5/01/21 | | 710 | 762,363 |
| Grohe Holding GmbH, 8.75%, 12/15/17 (c) | EUR | 100 | 136,756 |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20 | USD | 320 | 328,400 |
| USG Corp., 9.75%, 1/15/18 | | 645 | 758,681 |
| | | | 2,527,450 |
| Capital Markets 0.4% | | | |
| E*Trade Financial Corp., 0.01%, 8/31/19 (b)(d)(e) | | 226 | 236,311 |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b) | | 400 | 470,391 |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (b) | | 435 | 437,175 |
| | | | 1,143,877 |
| Chemicals 3.6% | | | |
| Axiall Corp., 4.88%, 5/15/23 (b) | | 162 | 164,430 |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b) | | 380 | 501,600 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | | 1,187 | 1,296,797 |
| Ciech Group Financing AB, 9.50%, 11/30/19 | EUR | 140 | 199,227 |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (b) | USD | 343 | 348,574 |
| Huntsman International LLC, 8.63%, 3/15/21 | | 155 | 175,150 |
| INEOS Finance Plc, 7.50%, 5/01/20 (b) | | 405 | 436,387 |
| Kraton Polymers LLC, 6.75%, 3/01/19 | | 115 | 119,600 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 | | 2,390 | 2,778,375 |
| Nexo Solutions LLC, 8.38%, 3/01/18 | | 85 | 83,088 |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (b) | | 205 | 217,300 |

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| | | | |
|--|-----|--------------|--------------|
| Orion Engineered Carbons Bondco GmbH (FKA Kinove German Bondco GmbH), 10.00%, 6/15/18 | EUR | 315 | 456,485 |
| OXEA Finance/Cy SCA, 9.63%, 7/15/17 (b) | | 330 | 471,888 |
| PolyOne Corp., 7.38%, 9/15/20 | USD | 200 | 221,500 |
| | | Par | Value |
| | | (000) | |
| Corporate Bonds | | | |
| Chemicals (concluded) | | | |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 | USD | 685 | \$ 708,975 |
| Tronox Finance LLC, 6.38%, 8/15/20 (b) | | 1,241 | 1,233,244 |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV: 5.75%, 2/01/21 | EUR | 100 | 133,166 |
| 7.38%, 5/01/21 (b) | USD | 328 | 339,480 |
| | | | 9,885,266 |
| Commercial Banks 0.9% | | | |
| CIT Group, Inc.: | | | |
| 5.25%, 3/15/18 | | 510 | 548,250 |
| 6.63%, 4/01/18 (b) | | 285 | 323,475 |
| 5.50%, 2/15/19 (b) | | 490 | 532,875 |
| 5.00%, 8/15/22 | | 430 | 460,100 |
| 6.00%, 4/01/36 | | 500 | 489,815 |
| | | | 2,354,515 |
| Commercial Services & Supplies 2.2% | | | |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (b) | | 256 | 275,200 |
| ARAMARK Holdings Corp. (b): | | | |
| 8.63%, 5/01/16 (f) | | 405 | 413,104 |
| 5.75%, 3/15/20 (g) | | 596 | 607,920 |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b) | | 500 | 541,171 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | | 24 | 25,800 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 | | 49 | 46,918 |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18 (b) | | 571 | 578,137 |
| Clean Harbors, Inc., 5.25%, 8/01/20 | | 484 | 498,520 |
| Covanta Holding Corp., 6.38%, 10/01/22 | | 585 | 634,336 |
| EC Finance Plc, 9.75%, 8/01/17 | EUR | 451 | 640,323 |
| HDTFS, Inc. (b): | | | |
| 5.88%, 10/15/20 | USD | 60 | 62,400 |
| 6.25%, 10/15/22 | | 245 | 263,375 |
| Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (b) | | 71 | 75,171 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | | 335 | 372,688 |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21 | | 429 | 486,379 |
| Verisure Holding AB: | | | |
| 8.75%, 9/01/18 | EUR | 169 | 238,289 |
| 8.75%, 12/01/18 | | 100 | 133,166 |
| West Corp., 8.63%, 10/01/18 | USD | 125 | 133,125 |
| | | | 6,026,022 |
| Communications Equipment 1.1% | | | |
| Alcatel-Lucent USA, Inc.: | | | |
| 6.50%, 1/15/28 | | 55 | 42,350 |
| 6.45%, 3/15/29 | | 169 | 131,398 |
| Avaya, Inc., 9.75%, 11/01/15 | | 523 | 514,501 |
| Zayo Group LLC/Zayo Capital, Inc.: | | | |
| 8.13%, 1/01/20 | | 870 | 972,225 |
| 10.13%, 7/01/20 | | 1,160 | 1,360,100 |
| | | | 3,020,574 |
| Computers & Peripherals 0.2% | | | |
| EMC Corp., Series B, 1.75%, 12/01/13 (e) | | 186 | 269,002 |
| SanDisk Corp., 1.50%, 8/15/17 (e) | | 255 | 313,969 |
| | | | 582,971 |
| Construction & Engineering 0.3% | | | |
| Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (b) | | 175 | 181,563 |
| H&E Equipment Services, Inc., 7.00%, 9/01/22 (b) | | 408 | 446,760 |
| Weekley Homes LLC, 6.00%, 2/01/23 (b) | | 143 | 145,860 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Construction Materials 2.1% | | | |
| Buzzi Unicem SpA, 6.25%, 9/28/18 | EUR | 126 | \$ 176,952 |
| HD Supply, Inc. (b): | | | |
| 8.13%, 4/15/19 | USD | 1,170 | 1,317,712 |
| 11.00%, 4/15/20 | | 1,215 | 1,464,075 |
| 7.50%, 7/15/20 | | 1,783 | 1,785,229 |
| 11.50%, 7/15/20 | | 480 | 553,200 |
| HeidelbergCement AG, 7.50%, 4/03/20 | EUR | 51 | 80,233 |
| Xefin Lux SCA, 8.00%, 6/01/18 (b) | | 233 | 326,627 |
| | | | 5,704,028 |
| Consumer Finance 0.5% | | | |
| Credit Acceptance Corp., 9.13%, 2/01/17 | USD | 435 | 474,150 |
| Ford Motor Credit Co. LLC: | | | |
| 12.00%, 5/15/15 | | 670 | 813,212 |
| 6.63%, 8/15/17 | | 131 | 152,982 |
| | | | 1,440,344 |
| Containers & Packaging 2.2% | | | |
| Ardagh Packaging Finance Plc: | | | |
| 7.38%, 10/15/17 (b) | | 200 | 217,750 |
| 7.38%, 10/15/17 | EUR | 200 | 283,304 |
| 7.38%, 10/15/17 (b) | | 335 | 474,535 |
| 9.13%, 10/15/20 (b) | USD | 409 | 447,855 |
| 9.13%, 10/15/20 (b) | | 365 | 397,850 |
| 7.00%, 11/15/20 (b) | | 441 | 442,102 |
| 4.88%, 11/15/22 (b) | | 200 | 197,000 |
| 5.00%, 11/15/22 | EUR | 200 | 259,152 |
| Berry Plastics Corp.: | | | |
| 4.18%, 9/15/14 (c) | USD | 275 | 275,000 |
| 8.25%, 11/15/15 | | 110 | 114,642 |
| 9.75%, 1/15/21 | | 170 | 196,350 |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR | 617 | 807,699 |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | USD | 10 | 10,900 |
| Crown Americas LLC/Crown Americas Capital Corp. IV, 4.50%, 1/15/23 (b) | | 112 | 109,480 |
| GCL Holdings SCA, 9.38%, 4/15/18 (b) | EUR | 244 | 345,695 |
| Graphic Packaging International, Inc., 7.88%, 10/01/18 | USD | 340 | 374,000 |
| Pactiv LLC, 7.95%, 12/15/25 | | 377 | 353,437 |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (b) | | 509 | 562,445 |
| | | | 5,869,196 |
| Distributors 0.5% | | | |
| VWR Funding, Inc., 7.25%, 9/15/17 (b) | | 1,260 | 1,326,150 |
| Diversified Consumer Services 2.1% | | | |
| 313 Group, Inc. (b): | | | |
| 6.38%, 12/01/19 | | 903 | 880,425 |
| 8.75%, 12/01/20 | | 547 | 540,163 |
| Laureate Education, Inc., 9.25%, 9/01/19 (b) | | 1,145 | 1,245,187 |
| Service Corp. International, 7.00%, 6/15/17 | | 2,590 | 2,929,937 |
| ServiceMaster Co., 8.00%, 2/15/20 | | 175 | 185,500 |
| | | | 5,781,212 |
| Diversified Financial Services 5.0% | | | |
| Air Lease Corp., 4.50%, 1/15/16 | | 540 | 552,150 |
| Aircastle Ltd.: | | | |
| 6.75%, 4/15/17 | | 295 | 317,863 |

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| | | | |
|---|--------------|-------|--------------|
| 6.25%, 12/01/19 | | 345 | 380,363 |
| Ally Financial, Inc.: | | | |
| 7.50%, 12/31/13 | | 350 | 367,500 |
| 8.00%, 11/01/31 | | 2,784 | 3,497,400 |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b) | | 439 | 432,964 |
| Co-Operative Group Ltd. (h): | | | |
| 5.63%, 7/08/20 | GBP | 160 | 254,379 |
| 6.25%, 7/08/26 | | 100 | 159,745 |
| | Par | | |
| | (000) | | Value |
| Corporate Bonds | | | |
| Diversified Financial Services (concluded) | | | |
| DPL, Inc.: | | | |
| 6.50%, 10/15/16 | USD | 298 | \$ 312,900 |
| 7.25%, 10/15/21 | | 777 | 833,332 |
| Gala Group Finance Plc, 8.88%, 9/01/18 | GBP | 600 | 983,048 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | USD | 270 | 310,500 |
| Leucadia National Corp., 8.13%, 9/15/15 | | 790 | 892,700 |
| Reynolds Group Issuer, Inc.: | | | |
| 7.13%, 4/15/19 | | 230 | 246,963 |
| 9.00%, 4/15/19 | | 435 | 461,100 |
| 7.88%, 8/15/19 | | 215 | 237,575 |
| 9.88%, 8/15/19 | | 515 | 563,925 |
| 5.75%, 10/15/20 | | 1,915 | 1,977,237 |
| WMG Acquisition Corp.: | | | |
| 11.50%, 10/01/18 | | 382 | 443,598 |
| 6.00%, 1/15/21 (b) | | 290 | 300,150 |
| | | | 13,525,392 |
| Diversified Telecommunication Services 2.4% | | | |
| Broadview Networks Holdings, Inc., 10.50%, 11/15/17 | | 500 | 488,750 |
| Cequel Communications Escrow I LLC/Cequel Communications Escrow Capital Corp., 6.38%, 9/15/20 (b) | | 435 | 449,681 |
| Consolidated Communications Finance Co., 10.88%, 6/01/20 (b) | | 320 | 362,400 |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b) | | 295 | 318,600 |
| Level 3 Financing, Inc.: | | | |
| 8.13%, 7/01/19 | | 1,084 | 1,181,560 |
| 7.00%, 6/01/20 (b) | | 395 | 414,750 |
| 8.63%, 7/15/20 | | 785 | 871,350 |
| Lynx I Corp., 5.38%, 4/15/21 (b) | | 265 | 271,625 |
| OTE Plc, 7.25%, 2/12/15 (h) | EUR | 101 | 132,520 |
| Telenet Finance V Luxembourg SCA: | | | |
| 6.25%, 8/15/22 | | 237 | 317,151 |
| 6.75%, 8/15/24 | | 350 | 477,505 |
| tw telecom Holdings, Inc., 5.38%, 10/01/22 | USD | 275 | 286,687 |
| Windstream Corp.: | | | |
| 8.13%, 8/01/13 | | 400 | 410,480 |
| 7.88%, 11/01/17 | | 360 | 407,700 |
| 7.50%, 4/01/23 | | 75 | 78,375 |
| 6.38%, 8/01/23 (b) | | 75 | 73,500 |
| | | | 6,542,634 |
| Electric Utilities 0.7% | | | |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17 | | 269 | 298,531 |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14 | EUR | 1,150 | 1,533,362 |
| | | | 1,831,893 |
| Electrical Equipment 0.5% | | | |
| Belden, Inc., 5.50%, 9/01/22 (b) | USD | 340 | 348,500 |
| General Cable Corp., 5.75%, 10/01/22 (b) | | 560 | 574,000 |
| Techem GmbH, 6.13%, 10/01/19 | EUR | 300 | 416,144 |
| | | | 1,338,644 |
| Electronic Equipment, Instruments & Components 0.1% | | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | USD | 215 | 258,538 |
| NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (b) | | 100 | 114,250 |
| | | | 372,788 |

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Energy Equipment & Services 3.7%

| | | |
|--|-----|---------|
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | 130 | 141,375 |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b) | 306 | 307,530 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Energy Equipment & Services (concluded) | | |
| Compagnie Générale de Géophysique, Veritas: | | |
| 7.75%, 5/15/17 | USD 235 | \$ 242,344 |
| 6.50%, 6/01/21 | 1,150 | 1,196,000 |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (b) | 995 | 1,029,825 |
| Genesis Energy LP/Genesi Energy Finance Corp., 5.75%, 2/15/21 (b) | 156 | 161,460 |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 | 145 | 149,712 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 | 290 | 304,500 |
| MEG Energy Corp. (b): | | |
| 6.50%, 3/15/21 | 1,250 | 1,318,750 |
| 6.38%, 1/30/23 | 330 | 341,550 |
| Oil States International, Inc.: | | |
| 6.50%, 6/01/19 | 290 | 310,300 |
| 5.13%, 1/15/23 (b) | 125 | 125,000 |
| Peabody Energy Corp.: | | |
| 6.00%, 11/15/18 | 211 | 224,187 |
| 6.25%, 11/15/21 | 1,074 | 1,116,960 |
| 7.88%, 11/01/26 | 345 | 369,150 |
| 4.75%, 12/15/66 (e) | 655 | 556,341 |
| Precision Drilling Corp.: | | |
| 6.63%, 11/15/20 | 70 | 74,375 |
| 6.50%, 12/15/21 | 275 | 291,500 |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (b) | 214 | 224,700 |
| Seadrill Ltd., 5.63%, 9/15/17 (b) | 1,254 | 1,269,675 |
| Tervita Corp., 8.00%, 11/15/18 (b) | 342 | 352,260 |
| | | 10,107,494 |
| Food & Staples Retailing 0.3% | | |
| Bakkavor Finance 2 Plc, 8.25%, 2/15/18 | GBP 213 | 327,979 |
| Rite Aid Corp., 9.25%, 3/15/20 | USD 345 | 386,400 |
| Zobebe Holding SpA, 7.88%, 2/01/18 | EUR 100 | 132,513 |
| | | 846,892 |
| Food Products 0.5% | | |
| Darling International, Inc., 8.50%, 12/15/18 | USD 105 | 119,438 |
| Del Monte Corp., 7.63%, 2/15/19 | 56 | 58,100 |
| Post Holdings, Inc., 7.38%, 2/15/22 | 530 | 572,400 |
| Smithfield Foods, Inc., 6.63%, 8/15/22 | 431 | 468,712 |
| | | 1,218,650 |
| Health Care Equipment & Supplies 2.3% | | |
| Biomet, Inc. (b): | | |
| 6.50%, 8/01/20 | 1,625 | 1,718,437 |
| 6.50%, 10/01/20 | 1,975 | 2,034,250 |
| DJO Finance LLC: | | |
| 8.75%, 3/15/18 | 350 | 386,313 |
| 7.75%, 4/15/18 | 95 | 94,525 |
| 9.88%, 4/15/18 | 400 | 427,000 |
| Fresenius Medical Care US Finance II, Inc., 5.63%, 7/31/19 (b) | 192 | 207,840 |
| Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (b) | 260 | 283,400 |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b) | 500 | 573,750 |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19 (b) | 295 | 289,100 |
| Teleflex, Inc., 6.88%, 6/01/19 | 270 | 293,625 |
| | | 6,308,240 |
| Health Care Providers & Services 8.0% | | |

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| | | | |
|--|-----|--------------|--------------|
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | | 520 | 557,700 |
| Care UK Health & Social Care Plc, 9.75%, 8/01/17 | GBP | 65 | 99,348 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Health Care Providers & Services (concluded) | | | |
| CHS/Community Health Systems, Inc.: | | | |
| 5.13%, 8/15/18 | USD | 785 | \$ 825,231 |
| 7.13%, 7/15/20 | | 415 | 447,163 |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b) | EUR | 400 | 553,553 |
| Crown Newco 3 Plc: | | | |
| 7.00%, 2/15/18 (b) | GBP | 331 | 518,463 |
| 7.00%, 2/15/18 | | 100 | 156,635 |
| DaVita HealthCare Partners, Inc., 5.75%, 8/15/22 | USD | 819 | 853,808 |
| HCA Holdings, Inc., 6.25%, 2/15/21 | | 1,010 | 1,065,550 |
| HCA, Inc.: | | | |
| 8.50%, 4/15/19 | | 120 | 132,900 |
| 6.50%, 2/15/20 | | 1,880 | 2,105,600 |
| 7.88%, 2/15/20 | | 255 | 282,731 |
| 7.25%, 9/15/20 | | 2,225 | 2,469,750 |
| 5.88%, 3/15/22 | | 200 | 215,500 |
| 4.75%, 5/01/23 | | 985 | 982,538 |
| Hologic, Inc., 6.25%, 8/01/20 (b) | | 1,464 | 1,544,520 |
| IASIS Healthcare LLC, 8.38%, 5/15/19 | | 596 | 613,880 |
| INC Research LLC, 11.50%, 7/15/19 (b) | | 320 | 341,600 |
| inVentiv Health, Inc., 9.00%, 1/15/18 (b) | | 580 | 604,650 |
| Omnicare, Inc.: | | | |
| 7.75%, 6/01/20 | | 905 | 1,004,550 |
| 3.75%, 4/01/42 (e) | | 148 | 154,290 |
| Symbion, Inc., 8.00%, 6/15/16 | | 315 | 329,175 |
| Tenet Healthcare Corp.: | | | |
| 6.25%, 11/01/18 | | 979 | 1,084,242 |
| 8.88%, 7/01/19 | | 2,355 | 2,661,150 |
| 6.75%, 2/01/20 | | 480 | 513,600 |
| 4.50%, 4/01/21 (b) | | 661 | 651,911 |
| Vanguard Health Holding Co. II LLC: | | | |
| 8.00%, 2/01/18 | | 223 | 237,495 |
| 7.75%, 2/01/19 (b) | | 425 | 455,281 |
| Voyage Care Bondco Plc, 6.50%, 8/01/18 | GBP | 110 | 169,796 |
| | | | 21,632,610 |
| Health Care Technology 1.0% | | | |
| IMS Health, Inc. (b): | | | |
| 12.50%, 3/01/18 | USD | 2,065 | 2,488,325 |
| 6.00%, 11/01/20 | | 132 | 137,280 |
| | | | 2,625,605 |
| Hotels, Restaurants & Leisure 3.3% | | | |
| Caesars Entertainment Operating Co., Inc.: | | | |
| 10.00%, 12/15/18 | | 541 | 357,060 |
| 8.50%, 2/15/20 | | 183 | 178,425 |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (b) | | 931 | 919,362 |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (b) | | 295 | 308,275 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18 | EUR | 453 | 579,586 |
| Diamond Resorts Corp., 12.00%, 8/15/18 | USD | 1,100 | 1,210,000 |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (b) | | 125 | 124,219 |
| Enterprise Inns Plc, 6.50%, 12/06/18 | GBP | 296 | 441,188 |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19 | EUR | 250 | 336,179 |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b) | USD | 270 | 259,200 |
| MCE Finance Ltd., 5.00%, 2/15/21 (b) | | 620 | 620,000 |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (f) | | 136 | 141,102 |
| Regal Entertainment Group, 5.75%, 2/01/25 | | 241 | 236,180 |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b) | | 547 | 536,060 |
| Station Casinos LLC: | | | |
| 3.66%, 6/18/18 | | 615 | 615,000 |
| 7.50%, 3/01/21 (b) | | 1,080 | 1,086,750 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Hotels, Restaurants & Leisure (concluded) | | | |
| Travelport LLC: | | | |
| 4.94%, 9/01/14 (c) | USD | 165 | \$ 150,150 |
| 6.31%, 12/01/16 (b)(f) | | 398 | 361,041 |
| Tropicana Entertainment LLC, 9.63%, 12/15/14 (a)(i) | | 315 | |
| The Unique Pub Finance Co. Plc, Series A3, 6.54%, 3/30/21 | GBP | 100 | 151,326 |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 | USD | 360 | 378,450 |
| | | | 8,989,553 |
| Household Durables 2.6% | | | |
| Algeco Scotsman Global Finance Plc, 9.00%, 10/15/18 | EUR | 100 | 135,777 |
| Ashton Woods USA LLC, 6.88%, 2/15/21 (b) | USD | 210 | 211,050 |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 | | 30 | 32,062 |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (b) | | 375 | 397,500 |
| Jarden Corp., 7.50%, 1/15/20 | EUR | 285 | 400,918 |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b) | USD | 870 | 957,000 |
| Libbey Glass, Inc., 6.88%, 5/15/20 | | 560 | 600,600 |
| PH Holding LLC, 9.75%, 12/31/17 | | 315 | 308,700 |
| Pulte Group, Inc., 6.38%, 5/15/33 | | 175 | 177,625 |
| The Ryland Group, Inc., 6.63%, 5/01/20 | | 315 | 346,500 |
| Spie BondCo 3 SCA, 11.00%, 8/15/19 | EUR | 276 | 401,770 |
| Standard Pacific Corp.: | | | |
| 10.75%, 9/15/16 | USD | 1,185 | 1,475,325 |
| 8.38%, 1/15/21 | | 880 | 1,045,000 |
| United Rentals North America, Inc., 5.75%, 7/15/18 | | 236 | 253,995 |
| William Lyon Homes, Inc., 8.50%, 11/15/20 (b) | | 275 | 295,625 |
| | | | 7,039,447 |
| Household Products 0.6% | | | |
| Ontex IV SA: | | | |
| 7.50%, 4/15/18 | EUR | 100 | 135,777 |
| 7.50%, 4/15/18 (b) | | 130 | 176,510 |
| 9.00%, 4/15/19 | | 213 | 285,034 |
| Spectrum Brands Escrow Corp. (b): | | | |
| 6.38%, 11/15/20 | USD | 351 | 373,376 |
| 6.63%, 11/15/22 | | 230 | 247,825 |
| Spectrum Brands, Inc.: | | | |
| 9.50%, 6/15/18 | | 330 | 374,138 |
| 6.75%, 3/15/20 (b) | | 89 | 95,898 |
| | | | 1,688,558 |
| Independent Power Producers & Energy Traders 3.8% | | | |
| The AES Corp., 7.38%, 7/01/21 | | | |
| | | 250 | 282,500 |
| Calpine Corp. (b): | | | |
| 7.25%, 10/15/17 | | 149 | 158,499 |
| 7.50%, 2/15/21 | | 85 | 92,438 |
| 7.88%, 1/15/23 | | 364 | 403,130 |
| Energy Future Intermediate Holding Co. LLC: | | | |
| 6.88%, 8/15/17 (b) | | 690 | 727,950 |
| 10.00%, 12/01/20 (b) | | 1,325 | 1,493,937 |
| 10.00%, 12/01/20 | | 2,476 | 2,810,260 |
| GenOn REMA LLC: | | | |
| Series B 9.24%, 7/02/17 | | 222 | 245,081 |
| Series C 9.68%, 7/02/26 | | 280 | 305,200 |
| Laredo Petroleum, Inc.: | | | |
| 9.50%, 2/15/19 | | 445 | 502,850 |

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| | | | | |
|---|-----|--------------|----|--------------|
| 7.38%, 5/01/22 | | 345 | | 374,325 |
| NRG Energy, Inc.: | | | | |
| 7.63%, 1/15/18 | | 1,394 | | 1,597,872 |
| 6.63%, 3/15/23 (b) | | 595 | | 633,675 |
| QEP Resources, Inc.: | | | | |
| 5.38%, 10/01/22 | | 305 | | 319,487 |
| 5.25%, 5/01/23 | | 235 | | 243,225 |
| | | | | 10,190,429 |
| Corporate Bonds | | Par | | Value |
| | | (000) | | |
| Industrial Conglomerates 0.2% | | | | |
| Sequa Corp., 7.00%, 12/15/17 (b) | USD | 525 | \$ | 528,938 |
| Insurance 0.6% | | | | |
| Alliant Holdings I, Inc., 7.88%, 12/15/20 (b) | | 1,035 | | 1,040,175 |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (b) | | 206 | | 218,360 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b) | | 235 | | 232,650 |
| TMF Group Holding BV, 9.88%, 12/01/19 | EUR | 100 | | 131,860 |
| | | | | 1,623,045 |
| Internet Software & Services 0.1% | | | | |
| Cerved Technologies SpA: | | | | |
| 6.38%, 1/15/20 | | 100 | | 129,902 |
| 8.00%, 1/15/21 | | 100 | | 126,965 |
| Equinix, Inc., 4.88%, 4/01/20 | USD | 137 | | 137,000 |
| | | | | 393,867 |
| IT Services 3.3% | | | | |
| Ceridian Corp., 8.88%, 7/15/19 (b) | | 1,150 | | 1,296,625 |
| Epicor Software Corp., 8.63%, 5/01/19 | | 510 | | 549,525 |
| First Data Corp.: | | | | |
| 7.38%, 6/15/19 (b) | | 1,445 | | 1,519,056 |
| 8.88%, 8/15/20 (b) | | 495 | | 546,975 |
| 6.75%, 11/01/20 (b) | | 1,750 | | 1,795,937 |
| 8.25%, 1/15/21 (b) | | 117 | | 119,633 |
| 11.25%, 1/15/21 (b) | | 457 | | 466,140 |
| 12.63%, 1/15/21 | | 750 | | 799,687 |
| SunGard Data Systems, Inc.: | | | | |
| 7.38%, 11/15/18 | | 500 | | 536,875 |
| 6.63%, 11/01/19 (b) | | 735 | | 755,213 |
| WEX, Inc., 4.75%, 2/01/23 (b) | | 453 | | 438,278 |
| | | | | 8,823,944 |
| Machinery 1.6% | | | | |
| Dematic SA, 7.75%, 12/15/20 (b) | | 85 | | 86,913 |
| The Manitowoc Co., Inc., 5.88%, 10/15/22 | | 435 | | 445,875 |
| Silver II Borrower/Silver II US Holdings LLC, 7.75%, 12/15/20 (b) | | 258 | | 268,320 |
| SPX Corp., 6.88%, 9/01/17 | | 160 | | 178,800 |
| Terex Corp., 6.00%, 5/15/21 | | 430 | | 446,125 |
| Trinseo Materials Operating SCA, 8.75%, 2/01/19 (b) | | 378 | | 376,582 |
| UR Merger Sub Corp.: | | | | |
| 7.38%, 5/15/20 | | 405 | | 443,475 |
| 7.63%, 4/15/22 | | 1,795 | | 1,987,962 |
| 6.13%, 6/15/23 | | 175 | | 183,750 |
| | | | | 4,417,802 |
| Media 9.8% | | | | |
| Affinion Group, Inc., 7.88%, 12/15/18 | | 362 | | 275,120 |
| AMC Networks, Inc.: | | | | |
| 7.75%, 7/15/21 | | 205 | | 232,675 |
| 4.75%, 12/15/22 | | 328 | | 326,770 |
| Cablevision Systems Corp., 5.88%, 9/15/22 | | 490 | | 475,300 |
| CCO Holdings LLC: | | | | |
| 5.25%, 9/30/22 | | 715 | | 703,381 |
| 5.13%, 2/15/23 | | 570 | | 555,750 |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (b) | | 537 | | 424,230 |
| Checkout Holding Corp., 11.49%, 11/15/15 (b)(d) | | 395 | | 291,806 |
| Cinemark USA, Inc.: | | | | |

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| | | |
|--|-----|---------|
| 8.63%, 6/15/19 | 200 | 221,750 |
| 5.13%, 12/15/22 (b) | 194 | 194,970 |
| Clear Channel Communications, Inc., 9.00%, 12/15/19 (b)(g) | 684 | 636,120 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Media (concluded) | | | |
| Clear Channel Worldwide Holdings, Inc.: | | | |
| 6.50%, 11/15/22 (b) | USD | 568 | \$ 593,560 |
| 6.50%, 11/15/22 (b) | | 1,533 | 1,613,483 |
| Series B, 7.63%, 3/15/20 | | 1,039 | 1,075,365 |
| DISH DBS Corp.: | | | |
| 5.88%, 7/15/22 | | 600 | 633,000 |
| 5.00%, 3/15/23 (b) | | 620 | 615,350 |
| Harron Communications LP, 9.13%, 4/01/20 (b) | | 300 | 330,000 |
| Intelsat Jackson Holdings SA: | | | |
| 7.25%, 10/15/20 | | 640 | 686,400 |
| 6.63%, 12/15/22 (b) | | 177 | 178,328 |
| Intelsat Luxembourg SA: | | | |
| 11.25%, 2/04/17 | | 560 | 595,000 |
| 11.50%, 2/04/17 | | 2,056 | 2,186,559 |
| Interactive Data Corp., 10.25%, 8/01/18 | | 1,235 | 1,400,181 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | | 315 | 339,806 |
| Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (b) | EUR | 315 | 440,364 |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b) | USD | 675 | 732,375 |
| Lynx I Corp., 6.00%, 4/15/21 | GBP | 930 | 1,449,655 |
| Lynx II Corp., 6.38%, 4/15/23 (b) | USD | 200 | 207,250 |
| The McClatchy Co., 9.00%, 12/15/22 (b) | | 390 | 412,425 |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b) | | 513 | 559,170 |
| Nara Cable Funding Ltd., 8.88%, 12/01/18 | EUR | 200 | 274,165 |
| Nielsen Finance LLC: | | | |
| 11.63%, 2/01/14 | USD | 45 | 49,163 |
| 7.75%, 10/15/18 | | 1,111 | 1,230,433 |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (b) | GBP | 189 | 298,191 |
| ProQuest LLC, 9.00%, 10/15/18 (b) | USD | 166 | 164,755 |
| ProtoStar I Ltd., 18.00%, 10/15/13 | | 812 | 406 |
| Sterling Entertainment Corp., 10.00%, 12/15/19 | | 800 | 800,000 |
| Unitymedia GmbH: | | | |
| 9.63%, 12/01/19 (b) | EUR | 530 | 765,633 |
| 9.50%, 3/15/21 | | 385 | 572,302 |
| Unitymedia Hessen GmbH & Co. KG: | | | |
| 7.50%, 3/15/19 | | 722 | 1,025,085 |
| 5.50%, 1/15/23 (b) | USD | 475 | 479,750 |
| Univision Communications, Inc., 6.75%, 9/15/22 (b) | | 412 | 444,960 |
| UPCB Finance II Ltd.: | | | |
| 6.38%, 7/01/20 | EUR | 300 | 415,165 |
| 6.38%, 7/01/20 (b) | | 753 | 1,042,064 |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b) | USD | 329 | 345,450 |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b) | EUR | 163 | 229,829 |
| | | | 26,523,494 |
| Metals & Mining 4.9% | | | |
| ArcelorMittal: | | | |
| 9.50%, 2/15/15 | USD | 300 | 338,625 |
| 4.25%, 8/05/15 | | 360 | 372,723 |
| 4.25%, 3/01/16 | | 125 | 128,750 |
| 5.00%, 2/25/17 | | 385 | 400,593 |
| 6.13%, 6/01/18 | | 385 | 415,145 |
| 6.00%, 3/01/21 | | 55 | 58,370 |
| 6.75%, 2/25/22 | | 454 | 499,903 |
| 7.50%, 10/15/39 | | 56 | 58,053 |
| 7.25%, 3/01/41 | | 213 | 212,468 |
| Eco-Bat Finance Plc, 7.75%, 2/15/17 | EUR | 435 | 586,371 |

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| | | | |
|---|-----|--------------|--------------|
| FMG Resources August 2006 Property Ltd. (b): | | | |
| 6.38%, 2/01/16 | USD | 405 | 421,795 |
| 6.00%, 4/01/17 | | 443 | 461,827 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Metals & Mining (concluded) | | | |
| Global Brass and Copper, Inc., 9.50%, 6/01/19 (b) | USD | 275 | \$ 299,063 |
| GoldCorp, Inc., 2.00%, 8/01/14 (e) | | 970 | 1,016,075 |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 | | 205 | 229,088 |
| New Gold, Inc. (b): | | | |
| 7.00%, 4/15/20 | | 140 | 151,200 |
| 6.25%, 11/15/22 | | 275 | 289,438 |
| New World Resources NV: | | | |
| 7.88%, 5/01/18 | EUR | 230 | 307,927 |
| 7.88%, 1/15/21 | | 310 | 374,366 |
| Newmont Mining Corp., Series A, 1.25%, 7/15/14 (e) | USD | 1,345 | 1,485,384 |
| Novelis, Inc., 8.75%, 12/15/20 | | 2,815 | 3,152,800 |
| Peninsula Energy Ltd., 11.00%, 12/14/14 | | 500 | 500,000 |
| Perstorp Holding AB, 8.75%, 5/15/17 (b) | | 205 | 215,250 |
| Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19 | EUR | 295 | 344,813 |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (b) | USD | 225 | 240,750 |
| Taseko Mines Ltd., 7.75%, 4/15/19 | | 385 | 383,075 |
| Vedanta Resources Plc, 8.25%, 6/07/21 (b) | | 245 | 278,688 |
| Walter Energy, Inc., 9.88%, 12/15/20 (b) | | 122 | 132,675 |
| | | | 13,355,215 |
| Multiline Retail 0.4% | | | |
| Dollar General Corp., 4.13%, 7/15/17 | | 727 | 768,802 |
| Dufry Finance SCA, 5.50%, 10/15/20 (b) | | 403 | 420,128 |
| | | | 1,188,930 |
| Oil, Gas & Consumable Fuels 9.1% | | | |
| Access Midstream Partners LP: | | | |
| 6.13%, 7/15/22 | | 250 | 268,125 |
| 4.88%, 5/15/23 | | 345 | 341,550 |
| Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (e) | | 817 | 779,724 |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b) | | 610 | 655,750 |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 | | 235 | 249,688 |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20 | | 215 | 225,750 |
| Chaparral Energy, Inc., 7.63%, 11/15/22 | | 205 | 222,425 |
| Chesapeake Energy Corp.: | | | |
| 7.25%, 12/15/18 | | 110 | 124,300 |
| 6.63%, 8/15/20 | | 165 | 180,675 |
| 6.88%, 11/15/20 | | 160 | 176,000 |
| 6.13%, 2/15/21 | | 69 | 73,140 |
| Concho Resources, Inc.: | | | |
| 7.00%, 1/15/21 | | 150 | 165,750 |
| 6.50%, 1/15/22 | | 270 | 294,300 |
| 5.50%, 10/01/22 | | 204 | 212,415 |
| CONSOL Energy, Inc., 8.25%, 4/01/20 | | 285 | 314,212 |
| Continental Resources, Inc., 7.13%, 4/01/21 | | 340 | 385,900 |
| Crosstex Energy LP, 8.88%, 2/15/18 | | 140 | 150,850 |
| Crown Oil Partners IV LP, 15.00%, 3/07/15 | | 556 | 585,003 |
| CVR Refining LLC/Coffeyville Finance, Inc., 6.50%, 11/01/22 (b) | | 350 | 352,625 |
| Denbury Resources, Inc., 4.63%, 7/15/23 | | 708 | 694,725 |
| Energy XXI Gulf Coast, Inc.: | | | |
| 9.25%, 12/15/17 | | 430 | 485,900 |
| 7.75%, 6/15/19 | | 490 | 525,525 |
| EP Energy LLC/Everest Acquisition Finance, Inc.: | | | |
| 6.88%, 5/01/19 | | 315 | 343,350 |
| 7.75%, 9/01/22 | | 195 | 211,088 |
| EV Energy Partners LP, 8.00%, 4/15/19 | | 140 | 146,650 |
| Halcon Resources Corp., 8.88%, 5/15/21 (b) | | 384 | 412,800 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b) | | 243 | 267,908 |
| Holly Energy Partners LP, 6.50%, 3/01/20 (b) | | 145 | 155,150 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 | | 320 | 360,000 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Oil, Gas & Consumable Fuels (concluded) | | |
| Linn Energy LLC: | | |
| 6.50%, 5/15/19 | USD 41 | \$ 42,435 |
| 6.25%, 11/01/19 (b) | 1,084 | 1,105,680 |
| 8.63%, 4/15/20 | 100 | 110,625 |
| 7.75%, 2/01/21 | 140 | 151,200 |
| MarkWest Energy Partners LP: | | |
| 5.50%, 2/15/23 | 200 | 210,000 |
| 4.50%, 7/15/23 | 140 | 136,850 |
| Newfield Exploration Co., 6.88%, 2/01/20 | 715 | 766,837 |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 | 285 | 297,825 |
| Oasis Petroleum, Inc.: | | |
| 7.25%, 2/01/19 | 185 | 199,800 |
| 6.50%, 11/01/21 | 270 | 291,600 |
| Offshore Group Investments Ltd., 11.50%, 8/01/15 | 633 | 689,970 |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (b) | 205 | 222,938 |
| PDC Energy, Inc., 7.75%, 10/15/22 (b) | 190 | 200,925 |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (b) | 564 | 575,280 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b) | 730 | 803,000 |
| Plains Exploration & Production Co., 6.88%, 2/15/23 | 965 | 1,112,162 |
| Range Resources Corp.: | | |
| 8.00%, 5/15/19 | 345 | 379,500 |
| 5.75%, 6/01/21 | 932 | 992,580 |
| 5.00%, 8/15/22 | 371 | 379,347 |
| Regency Energy Partners LP: | | |
| 6.88%, 12/01/18 | 372 | 401,760 |
| 5.50%, 4/15/23 | 618 | 651,990 |
| Sabine Pass Liquefaction LLC, 5.63%, 2/01/21 (b) | 1,490 | 1,538,425 |
| Sabine Pass Liquefied Natural Gas LP: | | |
| 7.50%, 11/30/16 | 1,395 | 1,541,475 |
| 6.50%, 11/01/20 (b) | 300 | 316,500 |
| SandRidge Energy, Inc., 7.50%, 2/15/23 | 484 | 506,990 |
| SESI LLC: | | |
| 6.38%, 5/01/19 | 300 | 321,750 |
| 7.13%, 12/15/21 | 215 | 238,113 |
| SM Energy Co.: | | |
| 6.63%, 2/15/19 | 120 | 128,700 |
| 6.50%, 11/15/21 | 240 | 261,000 |
| 6.50%, 1/01/23 | 355 | 384,287 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (b) | 142 | 148,035 |
| Vanguard Natural Resources, 7.88%, 4/01/20 | 250 | 262,500 |
| | | 24,731,357 |
| Paper & Forest Products 0.8% | | |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b) | 325 | 350,187 |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 55 | 59,469 |
| 8.00%, 4/01/20 | 105 | 115,763 |
| Clearwater Paper Corp., 7.13%, 11/01/18 | 535 | 579,137 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (b) | 315 | 330,750 |
| NewPage Corp., 11.38%, 12/31/14 (a)(i) | 1,788 | |
| Sappi Papier Holding GmbH (b): | | |
| 8.38%, 6/15/19 | 200 | 224,000 |
| 6.63%, 4/15/21 | 120 | 124,200 |
| Unifrax I LLC, 7.50%, 2/15/19 (b) | 240 | 243,600 |
| | | 2,027,106 |

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Pharmaceuticals 1.5%

| | | | |
|----------------------------------|-----|-----|---------|
| Capsugel Finance Co. SCA: | | | |
| 9.88%, 8/01/19 | EUR | 100 | 146,874 |
| 9.88%, 8/01/19 (b) | | 200 | 293,749 |

Corporate Bonds

| | | Par (000) | Value |
|--|-----|----------------------|--------------|
| Pharmaceuticals (concluded) | | | |
| Elan Corp. Plc, 6.25%, 10/15/19 (b) | USD | 424 | \$ 486,010 |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (b) | | 370 | 424,575 |
| Mylan, Inc., 6.00%, 11/15/18 (b) | | 100 | 110,137 |
| Valeant Pharmaceuticals International (b): | | | |
| 6.50%, 7/15/16 | | 399 | 419,199 |
| 6.88%, 12/01/18 | | 708 | 769,065 |
| 6.38%, 10/15/20 | | 370 | 398,213 |
| 6.75%, 8/15/21 | | 445 | 481,156 |
| Warner Chilcott Co. LLC, 7.75%, 9/15/18 | | 565 | 610,200 |
| | | | 4,139,178 |

Professional Services 0.3%

| | | | |
|--|-----|-----|---------|
| La Financiere Atalian SA, 7.25%, 1/15/20 | EUR | 120 | 156,901 |
| Truven Health Analytics, Inc., 10.63%, 6/01/20 (b) | USD | 470 | 526,400 |
| | | | 683,301 |

Real Estate Investment Trusts (REITs) 0.7%

| | | | |
|--|--|-----|-----------|
| Cantor Commercial Real Estate Co. LP, 7.75%, 2/15/18 (b) | | 261 | 262,305 |
| Felcor Lodging LP: | | | |
| 6.75%, 6/01/19 | | 934 | 1,003,466 |
| 5.63%, 3/01/23 (b) | | 235 | 236,469 |
| The Rouse Co. LP, 6.75%, 11/09/15 | | 480 | 499,200 |
| | | | 2,001,440 |

Real Estate Management & Development 2.6%

| | | | |
|---|--|-------|-----------|
| CBRE Services, Inc., 6.63%, 10/15/20 | | 310 | 334,800 |
| Country Garden Holdings Co. Ltd., 7.50%, 1/10/23 (b) | | 200 | 207,500 |
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (b) | | 785 | 845,837 |
| Forest City Enterprises, Inc., 7.63%, 6/01/15 | | 392 | 391,020 |
| Mattamy Group Corp., 6.50%, 11/15/20 (b) | | 345 | 343,706 |
| Realogy Corp.: | | | |
| 11.50%, 4/15/17 | | 360 | 383,850 |
| 12.00%, 4/15/17 | | 90 | 96,075 |
| 7.88%, 2/15/19 (b) | | 1,895 | 2,060,812 |
| 7.63%, 1/15/20 (b) | | 465 | 524,288 |
| 9.00%, 1/15/20 (b) | | 305 | 349,988 |
| Shea Homes LP, 8.63%, 5/15/19 | | 1,290 | 1,431,900 |
| | | | 6,969,776 |

Road & Rail 0.5%

| | | | |
|---|-----|-----|-----------|
| The Hertz Corp.: | | | |
| 7.50%, 10/15/18 | | 505 | 551,712 |
| 6.75%, 4/15/19 (b) | | 265 | 285,538 |
| 7.38%, 1/15/21 | | 400 | 441,000 |
| Hertz Holdings Netherlands BV, 8.50%, 7/31/15 | EUR | 72 | 99,945 |
| | | | 1,378,195 |

Semiconductors & Semiconductor Equipment 0.4%

| | | | |
|--|-----|-----|-----------|
| Micron Technology, Inc., Series C, 2.38%, 5/01/32 (b)(e) | USD | 247 | 274,942 |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (b) | | 305 | 311,862 |
| Spansion LLC, 7.88%, 11/15/17 | | 540 | 569,700 |
| | | | 1,156,504 |

Software 1.2%

| | | | |
|---|--|-------|-----------|
| IAC/InterActiveCorp, 4.75%, 12/15/22 (b) | | 386 | 377,315 |
| Igloo Holdings Corp., 8.25%, 12/15/17 (b)(f) | | 274 | 280,850 |
| Infor US, Inc., 9.38%, 4/01/19 | | 1,410 | 1,582,725 |
| Interface Security Systems Holdings, Inc., 9.25%, 1/15/18 (b) | | 139 | 141,433 |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b) | | 465 | 470,812 |
| Sophia LP, 9.75%, 1/15/19 (b) | | 408 | 451,350 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Specialty Retail 3.0% | | | |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 | USD | 335 | \$ 373,525 |
| Claire's Stores, Inc., 9.00%, 3/15/19 (b) | | 797 | 884,670 |
| House of Fraser Funding Plc: | | | |
| 8.88%, 8/15/18 (b) | GBP | 259 | 416,491 |
| 8.88%, 8/15/18 | | 221 | 355,384 |
| Limited Brands, Inc.: | | | |
| 8.50%, 6/15/19 | USD | 745 | 912,625 |
| 5.63%, 2/15/22 | | 150 | 158,625 |
| Michaels Stores, Inc., 7.75%, 11/01/18 | | 215 | 234,619 |
| New Academy Finance Co. LLC, 8.00%, 6/15/18 (b)(f) | | 197 | 203,402 |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b) | | 929 | 1,010,287 |
| Penske Automotive Group, Inc., 5.75%, 10/01/22 (b) | | 1,015 | 1,061,944 |
| QVC, Inc.: | | | |
| 7.13%, 4/15/17 (b) | | 210 | 218,728 |
| 7.50%, 10/01/19 (b) | | 565 | 623,586 |
| 7.38%, 10/15/20 (b) | | 270 | 299,279 |
| 5.13%, 7/02/22 | | 12 | 12,689 |
| Sally Holdings LLC: | | | |
| 6.88%, 11/15/19 | | 500 | 557,500 |
| 5.75%, 6/01/22 | | 470 | 496,437 |
| Sonic Automotive, Inc., 9.00%, 3/15/18 | | 345 | 379,500 |
| | | | 8,199,291 |
| Textiles, Apparel & Luxury Goods 0.2% | | | |
| Levi Strauss & Co., 6.88%, 5/01/22 | | 400 | 434,500 |
| Phillips-Van Heusen Corp., 4.50%, 12/15/22 | | 233 | 229,796 |
| | | | 664,296 |
| Trading Companies & Distributors 0.6% | | | |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (b) | | 455 | 490,263 |
| Doric Nimrod Air Finance Alpha Ltd., Series 2012-1 (b): | | | |
| 6.50%, 5/30/21 | | 530 | 560,293 |
| 5.13%, 11/30/24 | | 550 | 591,250 |
| | | | 1,641,806 |
| Transportation Infrastructure 0.2% | | | |
| Aguila 3 SA, 7.88%, 1/31/18 (b) | | 398 | 421,880 |
| Wireless Telecommunication Services 4.3% | | | |
| Cricket Communications, Inc., 7.75%, 10/15/20 | | 543 | 553,860 |
| Crown Castle International Corp., 5.25%, 1/15/23 (b) | | 1,029 | 1,054,725 |
| Digicel Group Ltd. (b): | | | |
| 8.25%, 9/01/17 | | 1,135 | 1,197,425 |
| 8.25%, 9/30/20 | | 420 | 447,930 |
| 6.00%, 4/15/21 (g) | | 1,045 | 1,042,388 |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20 | | 627 | 655,999 |
| NII Capital Corp., 7.63%, 4/01/21 | | 324 | 226,800 |
| Phones4u Finance Plc: | | | |
| 9.50%, 4/01/18 | GBP | 100 | 156,635 |
| 9.50%, 4/01/18 (b) | | 370 | 579,551 |
| Sprint Capital Corp., 6.88%, 11/15/28 | USD | 1,566 | 1,581,660 |
| Sprint Nextel Corp. (b): | | | |
| 9.00%, 11/15/18 | | 2,165 | 2,684,600 |
| 7.00%, 3/01/20 | | 1,370 | 1,602,900 |
| | | | 11,784,473 |

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| | | | | |
|--|---------------|------------------|-------|--------------|
| Total Corporate Bonds | 103.3% | | | 280,565,560 |
| Floating Rate Loan Interests (c) | | Par (000) | | Value |
| Airlines | 1.1% | | | |
| Delta Air Lines, Inc., Term Loan B, 4.50%, 4/20/17 | | USD | 393 | \$ 396,212 |
| Northwest Airlines, Inc., Term Loan: | | | | |
| 2.32%, 3/10/17 | | | 662 | 616,322 |
| 2.32%, 3/10/17 | | | 1,199 | 1,116,269 |
| 1.70%, 9/10/18 | | | 544 | 485,683 |
| 1.70%, 9/10/18 | | | 540 | 482,112 |
| | | | | 3,096,598 |
| Auto Components | 1.1% | | | |
| Federal-Mogul Corp.: | | | | |
| Term Loan B, 2.14%, 12/29/14 | | | 1,345 | 1,251,325 |
| Term Loan C, 2.14%, 12/28/15 | | | 675 | 627,125 |
| Schaeffler AG, Term Loan B2, 6.00%, 1/27/17 | | | 1,225 | 1,224,694 |
| | | | | 3,103,144 |
| Building Products | 0.1% | | | |
| Wilsonart International Holdings LLC, Term Loan B, 5.50%, 10/31/19 | | | 390 | 394,095 |
| Capital Markets | 0.6% | | | |
| American Capital Holdings, Inc., Term Loan, 5.50%, 8/22/16 | | | 858 | 866,580 |
| Nuveen Investments, Inc.: | | | | |
| Incremental Term Loan, 7.25%, 5/13/17 | | | 440 | 442,200 |
| Second Lien Term Loan, 8.25%, 2/28/19 | | | 380 | 387,600 |
| | | | | 1,696,380 |
| Chemicals | 0.4% | | | |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18 | | | 343 | 349,769 |
| US Coatings Acquisition, Inc.: | | | | |
| Term Loan, 4.75%, 2/03/20 | | | 650 | 657,891 |
| Term Loan B, 5.25%, 2/03/20 | | EUR | 70 | 92,319 |
| | | | | 1,099,979 |
| Communications Equipment | 1.4% | | | |
| Alcatel-Lucent: | | | | |
| Term Loan D, 7.75%, 1/31/19 | | | 505 | 661,043 |
| Term Loan C, 7.25%, 1/31/19 | | USD | 1,290 | 1,304,190 |
| Avaya, Inc., Term Loan B5, 8.00%, 3/30/18 | | | 114 | 114,397 |
| Zayo Group, LLC Refinancing, Term Loan B, 5.25%, 7/12/19 | | | 1,667 | 1,672,467 |
| | | | | 3,752,097 |
| Construction & Engineering | 0.6% | | | |
| Safway Services LLC, Mezzanine Loan, 9.88%, 12/16/17 | | | 1,750 | 1,750,000 |
| Construction Materials | 0.4% | | | |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17 | | | 1,040 | 1,042,541 |
| Consumer Finance | 1.1% | | | |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17 | | | 2,948 | 2,958,436 |
| Diversified Consumer Services | 0.2% | | | |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18 | | | 134 | 134,349 |
| ServiceMaster Co., Term Loan, 4.25%, 4/01/17 | | | 425 | 423,558 |
| | | | | 557,907 |
| Diversified Telecommunication Services | 0.8% | | | |
| Level 3 Financing, Inc.: | | | | |
| 2016 Term Loan B, 4.75%, 2/01/16 | | | 643 | 650,626 |
| 2019 Term Loan B, 5.25%, 8/01/19 | | | 530 | 535,411 |
| Term Loan, 4.75%, 8/01/19 | | | 900 | 907,200 |
| | | | | 2,093,237 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests (c) | | |
| Energy Equipment & Services 0.9% | | |
| Dynergy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16 | USD 1,152 | \$ 1,188,849 |
| Dynergy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16 | 958 | 996,276 |
| Tervita Corp., Incremental Term Loan, 6.50%, 5/01/18 | 135 | 135,697 |
| | | 2,320,822 |
| Food & Staples Retailing 0.0% | | |
| Rite Aid Corp., Second Lien Term Loan, 5.75%, 7/07/20 | 100 | 102,278 |
| Food Products 0.1% | | |
| Advance Pierre Foods, Inc., Term Loan, 5.75%, 7/10/17 | 195 | 197,377 |
| Health Care Equipment & Supplies 0.2% | | |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19 | 353 | 355,618 |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18 | 259 | 264,521 |
| | | 620,139 |
| Health Care Providers & Services 0.4% | | |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 9/25/17 | 173 | 169,697 |
| Harden Healthcare LLC: | | |
| Add on Term Loan A, 7.75%, 3/02/15 | 343 | 335,663 |
| Term Loan A, 8.50%, 3/02/15 | 300 | 297,645 |
| inVentiv Health, Inc., Combined Term Loan, 7.50%, 8/04/16 | 376 | 370,097 |
| | | 1,173,102 |
| Hotels, Restaurants & Leisure 3.0% | | |
| Caesars Entertainment Operating Co., Inc.: | | |
| Term Loan B1, 3.20%, 1/28/15 | 471 | 469,334 |
| Term Loan B3, 3.20% 3.31%, 1/28/15 | 21 | 21,367 |
| Harrah s Property Co., Mezzanine Term Loan, 3.69%, 2/13/14 | 5,000 | 4,600,000 |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19 | 1,140 | 1,153,110 |
| Station Casinos, Inc., Term Loan B: | | |
| 5.50%, 9/27/19 | 943 | 948,133 |
| 5.00%, 2/13/20 | 915 | 922,625 |
| Travelport Holdings Ltd.: | | |
| Extended Tranche A Term Loan, 6.40%, 12/01/16 | 183 | 64,686 |
| Extended Tranche B Term Loan, 13.80%, 12/01/16 | 613 | 57,195 |
| | | 8,236,450 |
| Industrial Conglomerates 0.2% | | |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17 | 532 | 538,038 |
| Insurance 0.1% | | |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19 | 310 | 312,325 |
| IT Services 0.3% | | |
| Ceridian Corp., Extended Term Loan, 5.95%, 5/09/17 | 62 | 62,893 |
| First Data Corp., Extended 2018 Term Loan B, 4.20%, 3/23/18 | 720 | 710,928 |
| | | 773,821 |
| Leisure Equipment & Products 0.1% | | |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13 | 221 | 220,569 |
| Floating Rate Loan Interests (c) | | |
| Life Sciences Tools & Services 0.1% | | |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18 | USD 190 | \$ 191,657 |
| Machinery 0.7% | | |
| Rexnord Corp., Term Loan B, 4.50%, 4/02/18 | 540 | 542,927 |
| Silver II US Holdings LLC, Term Loan, 5.00%, 12/05/19 | 1,395 | 1,395,000 |

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| | | | |
|--|-----|-------|-----------|
| | | | 1,937,927 |
| Media 3.7% | | | |
| Cengage Learning Acquisitions, Inc.: | | | |
| Non-Extended Term Loan, 2.71%, 7/03/14 | | 292 | 228,427 |
| Tranche 1 Incremental, 7.50%, 7/03/14 | | 1,378 | 1,095,112 |
| Cequel Communications LLC, Term Loan B, 4.00%, 2/14/19 | | 262 | 263,651 |
| Clear Channel Communications, Inc.: | | | |
| Term Loan B, 3.85%, 1/29/16 | | 1,217 | 1,041,194 |
| Term Loan C, 3.85%, 1/29/16 | | 362 | 305,631 |
| EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18 | | 398 | 402,278 |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19 | | 379 | 381,467 |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.50%, 4/02/18 | | 4,867 | 4,913,012 |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18 | | 379 | 379,581 |
| Univision Communications, Inc., Extended Term Loan, 4.45%, 3/31/17 | | 248 | 248,064 |
| Virgin Media Investment Holdings, Term Loan B, 3.50%, 2/17/20 | | 695 | 690,851 |
| | | | 9,949,268 |
| Metals & Mining 0.9% | | | |
| Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18 | | 388 | 395,811 |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17 | | 2,075 | 2,099,656 |
| | | | 2,495,467 |
| Multiline Retail 0.5% | | | |
| HEMA Holding BV, Mezzanine, 8.62%, 7/05/17 | EUR | 1,184 | 1,368,074 |
| Oil, Gas & Consumable Fuels 1.5% | | | |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17 | USD | 2,015 | 2,056,771 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | | 777 | 784,301 |
| Samson Investment Co., Second Lien Term Loan, 6.00%, 9/25/18 | | 215 | 217,017 |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17 | | 889 | 893,194 |
| | | | 3,951,283 |
| Pharmaceuticals 0.4% | | | |
| Par Pharmaceutical, Term Loan B, 4.25%, 9/28/19 | | 658 | 657,527 |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | | 287 | 288,479 |
| | | | 946,006 |
| Professional Services 0.1% | | | |
| Truven Health Analytics, Inc., Term Loan B, 5.75%, 6/01/19 | | 343 | 346,495 |
| Real Estate Investment Trusts (REITs) 0.4% | | | |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17 | | 962 | 963,027 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests (c) | | |
| Real Estate Management & Development 0.3% | | |
| Realogy Corp.: | | |
| Extended Letter of Credit Loan, 4.46%, 10/10/16 | USD 86 | \$ 86,467 |
| Extended Term Loan, 4.42%, 10/10/16 | 689 | 688,607 |
| | | 775,074 |
| Road & Rail 0.1% | | |
| Genesee & Wyoming, Inc., Term Loan A, 2.70%, 9/29/17 | 263 | 263,447 |
| Semiconductors & Semiconductor Equipment 0.1% | | |
| Freescall Semiconductor, Inc., Extended Term Loan B, 4.45%, 12/01/16 | 275 | 275,000 |
| Software 0.6% | | |
| GCA Services Group, Inc., Second Lien Term Loan, 9.25%, 10/22/20 | 55 | 54,450 |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18 | 1,124 | 1,136,534 |
| Kronos, Inc., Second Lien Term Loan, 9.75%, 4/30/20 | 470 | 488,800 |
| | | 1,679,784 |
| Specialty Retail 0.2% | | |
| David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19 | 495 | 500,074 |
| Textiles, Apparel & Luxury Goods 0.5% | | |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18 | 1,042 | 1,052,546 |
| Phillips-Van Heusen Corp., Term Loan B, 3.25%, 12/19/19 | 405 | 408,248 |
| | | 1,460,794 |
| Thrifts & Mortgage Finance 0.2% | | |
| Ocwen Financial Corp., Term Loan, 5.00%, 1/22/18 | 560 | 566,765 |
| Total Floating Rate Loan Interests 23.4% | | 63,709,477 |

| | Beneficial Interest (000) | Value |
|--|---------------------------------|-------|
| Other Interests (a)(j) | | |
| Chemicals 0.0% | | |
| Wellman Holdings, Inc., Litigation Trust Certificate | 2,650 | 26 |
| Media 0.0% | | |
| Adelphia Escrow | 700 | 7 |
| Adelphia Recovery Trust | 878 | 88 |
| | | 95 |
| Total Other Interests 0.0% | | 121 |

| | Shares | Value |
|----------------------------------|--------|--------------|
| Preferred Securities | | |
| Preferred Stocks | | |
| Auto Components 0.5% | | |
| Dana Holding Corp., 4.00% (b)(e) | 9,740 | \$ 1,381,862 |

| | | |
|--|---------|-----------|
| Trust Preferreds | | |
| Diversified Financial Services 1.2% | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c) | 117,850 | 3,117,100 |
| Total Preferred Securities 1.7% | | 4,498,962 |

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Warrants (k)

| | | |
|--|-----------|--------|
| Health Care Providers & Services 0.0% | | |
| HealthSouth Corp. (Expires 1/16/14) | 29,930 | |
| Media 0.0% | | |
| New Vision Holdings LLC (Expires 9/30/14) | 14,965 | 27,681 |
| Metals & Mining 0.0% | | |
| Peninsula Minerals Ltd. (Expires 12/31/15) | 3,627,165 | 55,575 |
| Real Estate Investment Trusts (REITs) 0.0% | | |
| Peninsula Energy Ltd. (Expires 12/31/15) | 2,142,553 | 31,077 |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/28/17) | 312 | |
| HMH Holdings/EduMedia, (issued/exercisable 3/09/10, 19 shares for 1 warrant, Expires 3/04/17, Strike Price \$42.27) | 1,070 | |

| | | |
|------------------------------------|--|-------------|
| Total Warrants 0.0% | | 114,333 |
| Total Long-Term Investments | | |
| (Cost \$364,347,495) 137.7% | | 374,065,403 |

| | | |
|---|--|-------------|
| Options Purchased | | |
| (Cost \$25,865) 0.0% | | 1,960 |
| Total Investments Before Options Written | | |
| (Cost \$364,373,360) 137.7% | | 374,067,363 |

| | | |
|---|--|----------------|
| Options Written | | |
| (Premiums Received \$98,415) (0.0)% | | (50,555) |
| Total Investments, Net of Options Written 137.7% | | 374,016,808 |
| Liabilities in Excess of Other Assets (37.7)% | | (102,399,819) |
| Net Assets 100.0% | | \$ 271,616,989 |

Notes to Consolidated Schedule of investments

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

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See Notes to Consolidated Financial Statements.

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Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

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

| Counterparty | Value | Unrealized Appreciation |
|----------------------------|--------------|-------------------------|
| Citigroup, Inc. | \$ 1,678,508 | \$ 1,199 |
| Sterne, Agee & Leach, Inc. | \$ 607,920 | \$ 8,048 |

(h) 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.

(i) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(k) 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 of the warrants, if any.

Investments in issuers considered to be an affiliate of the Fund during the year ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at February 29, 2012 | Net Activity | Shares Held at February 28, 2013 | Income |
|--|----------------------------------|--------------|----------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,264,805 | (2,264,805) | | \$ 2,410 |

Financial futures contracts as of February 28, 2013 were as follows:

| Contracts Sold | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|----------------|----------------------|--------------------|------------|----------------|-------------------------|
| (46) | S&P 500 E-Mini Index | Chicago Mercantile | March 2013 | USD 3,480,590 | \$ (59,470) |

Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|-----------------|-----------------|--|
| CAD 195,000 | USD 194,271 | Citigroup, Inc. | 4/17/13 | \$ (5,376) |
| USD 480,181 | AUD 463,000 | Citigroup, Inc. | 4/17/13 | 8,827 |
| USD 196,643 | CAD 195,000 | Citigroup, Inc. | 4/17/13 | 7,748 |

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| | | | | | | |
|--------------|------------|-----|------------|----------------------------------|---------|-------------------|
| USD | 3,212,074 | CAD | 3,169,000 | Deutsche Bank AG | 4/17/13 | 142,281 |
| USD | 1,361,444 | GBP | 880,000 | Barclays Plc | 4/17/13 | 26,751 |
| USD | 148,702 | GBP | 96,000 | BNP Paribas SA | 4/17/13 | 3,099 |
| USD | 5,959,142 | GBP | 3,720,000 | Goldman Sachs Group, Inc. | 4/17/13 | 317,035 |
| USD | 160,147 | GBP | 101,000 | Royal Bank of Scotland Group Plc | 4/17/13 | 6,961 |
| USD | 115,580 | EUR | 87,000 | BNP Paribas SA | 4/23/13 | 1,955 |
| USD | 21,268,491 | EUR | 15,961,000 | Citigroup, Inc. | 4/23/13 | 422,954 |
| USD | 133,584 | EUR | 100,267 | Deutsche Bank AG | 4/23/13 | 2,633 |
| USD | 266,493 | EUR | 200,000 | Goldman Sachs Group, Inc. | 4/23/13 | 5,287 |
| USD | 134,611 | EUR | 100,000 | UBS AG | 4/23/13 | 4,008 |
| Total | | | | | | \$ 944,163 |

Exchange-traded options purchased as of February 28, 2013 were as follows:

| Description | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|-------------------------|----------|--------------|-----------------|-----------|--------------|
| Life Technologies Corp. | Call | USD 70.00 | 3/16/13 | 98 | \$ 1,960 |

Over-the-counter options purchased as of February 28, 2013 were as follows:

| Description | Counterparty | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------------------|---------------------------|----------|--------------|-----------------|-----------|--------------|
| Marsico Parent Superholdco LLC | Goldman Sachs Group, Inc. | Call | USD 942.86 | 12/14/19 | 17 | |

See Notes to Consolidated Financial Statements.+

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

Over-the-counter credit default swaptions written as of February 28, 2013 were as follows:

| Description | Counterparty | Put/ Call | Strike Price | Pay/Receive Floating Rate Index | Floating Rate Index | Credit Rating ¹ | Expiration Date | Notional Amount (000) ² | Market Value |
|---|---------------------------|--------------|-----------------|---------------------------------------|---|-------------------------------|--------------------|--|-------------------|
| Sold Protection on 5-Year Credit Default Swap | Credit Suisse Group AG | Call | USD 103.50 | Receive | Dow Jones CDX North America High Yield, Series 19, Version 1 | B+ | 6/19/13 | USD 4,050 | \$(21,885) |
| Sold Protection on 5-Year Credit Default Swap | Credit Suisse Group AG | Put | USD 97.50 | Pay | Dow Jones CDX North America High Yield, Series 19, Version 1 | B+ | 6/19/13 | USD 4,050 | (28,670) |
| Total | | | | | | | | | \$(50,555) |

Credit default swaps buy protection outstanding as of February 28, 2013 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|------------------------|-------------------|----------------------|--------------------|-----------------------------|----------------------------|
| Israel (State of) | 1.00% | Deutsche Bank AG | 3/20/17 | USD 625 | \$(24,619) |
| Israel (State of) | 1.00% | Deutsche Bank AG | 3/20/17 | USD 210 | (8,147) |
| Beazer Homes USA, Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/17 | USD 70 | (1,150) |
| Total | | | | | \$(33,916) |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ³ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|---|-----------------------|---------------------------|--------------------|-------------------------------|--|--|
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citigroup, Inc. | 12/20/15 | CCC | USD 143 | \$ 18,667 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citigroup, Inc. | 12/20/15 | CCC | USD 70 | 6,862 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 232 | 26,075 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 58 | 7,054 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 250 | 42,155 |
| ARAMARK Corp. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | B- | USD 500 | 40,144 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citigroup, Inc. | 3/20/16 | CCC | USD 48 | 1,087 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 101 | 7,861 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 101 | 7,861 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 302 | 19,444 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 71 | 3,617 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 301 | 295 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 3/20/16 | CCC | USD 41 | 1,497 |
| ARAMARK Corp. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | B- | USD 300 | 24,289 |
| ARAMARK Corp. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | B- | USD 300 | 25,738 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD 708 | 37,980 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD 114 | 503 |

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| | | | | | | | |
|---|-------|---------------------------|---------|-----|-----|-------|------------|
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 204 | 12,033 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 390 | 19,372 |
| ARAMARK Corp. | 5.00% | Credit Suisse Group AG | 9/20/16 | B- | USD | 125 | 13,964 |
| ARAMARK Corp. | 5.00% | Deutsche Bank AG | 3/20/17 | B- | USD | 185 | 13,543 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 222 | 6,990 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 187 | (1,422) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 129 | 1,610 |
| Crown Castle International Corp. | 7.25% | Deutsche Bank AG | 3/20/17 | B- | USD | 430 | 74,431 |
| CCO Holdings LLC | 8.00% | Deutsche Bank AG | 9/20/17 | BB- | USD | 1,500 | 362,674 |
| Level 3 Communications, Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/19 | CCC | USD | 900 | 70,364 |
| Total | | | | | | | \$ 844,688 |

¹ Using S&P's rating of the underlying securities of the index.

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

³ Using S&P's rating of the issuer.

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 rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund 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 Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

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

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

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|----------------|----------------|----------------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Common Stocks | \$ 19,024,477 | \$ 1,284,531 | \$ 4,867,942 | \$ 25,176,950 |
| Corporate Bonds | | 276,591,007 | 3,974,553 | 280,565,560 |
| Floating Rate Loan Interests | | 54,412,941 | 9,296,536 | 63,709,477 |
| Other Interests | 88 | | 33 | 121 |
| Preferred Securities | 3,117,100 | 1,381,862 | | 4,498,962 |
| Warrants | 55,575 | | 58,758 | 114,333 |
| Options Purchased: | | | | |
| Equity contracts | 1,960 | | | 1,960 |
| Total | \$ 22,199,200 | \$ 333,670,341 | \$ 18,197,822 | \$ 374,067,363 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Credit contracts | | \$ 846,110 | | \$ 846,110 |
| Foreign currency exchange contracts | | 949,539 | | 949,539 |
| Liabilities: | | | | |

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| | | | |
|-------------------------------------|--------------------|---------------------|---------------------|
| Credit contracts | | (85,893) | (85,893) |
| Equity contracts | \$ (59,470) | | (59,470) |
| Foreign currency exchange contracts | | (5,376) | (5,376) |
| Total | \$ (59,470) | \$ 1,704,380 | \$ 1,644,910 |

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

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|------------------------|---------|------------------------|
| Assets: | | | | |
| Cash | \$ 3,687,665 | | | \$ 3,687,665 |
| Foreign currency at value | 9,196 | | | 9,196 |
| Cash pledged as collateral for financial futures contracts | 231,000 | | | 231,000 |
| Cash pledged as collateral for swaps | 600,000 | | | 600,000 |
| Liabilities: | | | | |
| Loan payable | | \$ (98,000,000) | | (98,000,000) |
| Cash received as collateral for swaps | | (600,000) | | (600,000) |
| Total | \$ 4,527,861 | \$ (98,600,000) | | \$ (94,072,139) |

There were no transfers between Level 1 and Level 2 during the year ended February 28, 2013.

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

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

| | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | Total |
|---|--------------------------|----------------------------|---|----------------------------|------------------|----------------------|
| Assets: | | | | | | |
| Opening Balance, as of February 29, 2012 | \$ 4,138,509 | \$ 4,181,040 | \$ 5,454,878 | \$ 34 | | \$ 13,774,461 |
| Transfers into Level 3 ¹ | 340 | 1,165,837 | | | | 1,166,177 |
| Transfers out of Level 3 ¹ | | | (201,394) | | | (201,394) |
| Accrued discounts/premiums | | (7,560) | 55,798 | | | 48,238 |
| Net realized gain (loss) | (1,186,175) | 6,507 | (508,051) | | | (1,687,719) |
| Net change in unrealized appreciation/depreciation ² | 1,278,016 | (1,251,301) | 1,070,406 | (1) | \$ 58,758 | 1,155,878 |
| Purchases | 637,262 | 2,369,423 | 6,116,809 | | | 9,123,494 |
| Sales | (10) | (2,489,393) | (2,691,910) | | | (5,181,313) |
| Closing Balance, as of February 28, 2013 | \$ 4,867,942 | \$ 3,974,553 | \$ 9,296,536 | \$ 33 | \$ 58,758 | \$ 18,197,822 |

¹ Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

² Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of February 28, 2013 was \$(648,258).

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

| | Credit Contracts |
|---|-----------------------------|
| Assets/Liabilities: | |
| Opening Balance, as of February 29, 2012 | \$ 216,962 |
| Transfers into Level 3 ³ | |
| Transfers out of Level 3 ³ | (9,242) |
| Accrued discounts/ premiums | |
| Net realized gain (loss) | |
| Net change in unrealized appreciation/depreciation ⁴ | (207,720) |
| Purchases | |
| Issues ⁵ | |
| Sales | |
| Settlements ⁶ | |

Closing Balance, as of February 28, 2013

³ Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

⁴ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations.

⁵ Issues represent upfront cash received on certain derivative financial instruments.

⁶ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund, Inc. (COY)

The following table summarizes the valuation techniques used and unobservable inputs developed by the BlackRock Global Valuation Methodologies Committee (Global Valuation Committee) to determine the value of certain of the Fund's Level 3 investments as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$8,319,823.

| | Value | Valuation Techniques | Unobservable Inputs ¹ | Range of Unobservable Inputs Utilized |
|------------------------------|---------------------|--------------------------------|--------------------------------------|---------------------------------------|
| Assets: | | | | |
| Common Stocks | \$ 3,991,905 | Market Comparable Companies | EBITDA Multiple | 6.56x |
| | | | Enterprise Value/Oil Barrel Multiple | CAD ² 0.44x |
| | 217,425 | Restructure terms ³ | N/A | |
| Corporate Bonds | 1,032,494 | Market Comparable Companies | Yield | 12.10% |
| | 585,003 | Discounted Cash Flow | Yield | 12% |
| | 406 | Estimated Final Distribution | Recovery Rate | 0.05% |
| | 1,608,700 | Cost ⁴ | N/A | |
| Floating Rate Loan Interests | 633,308 | Discounted Cash Flow | Yield | 9.50% |
| | 1,750,000 | Cost ⁴ | N/A | |
| | 27,681 | Discounted Vendor Price | Distribution Rate | 0.51639 |
| Warrants | 31,077 | Black-Scholes | Implied Volatility | 90% |
| Total | \$ 9,877,999 | | | |

¹ A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------------------------|------------------------------------|------------------------------------|
| EBITDA Multiple | Increase | Decrease |
| Enterprise Value/Oil Barrel Multiple | Increase | Decrease |
| Yield | Decrease | Increase |
| Recovery Rate | Increase | Decrease |
| Distribution Rate | Decrease | Increase |
| Implied Volatility | Increase | Decrease |

² Canadian Dollar.

³ Investment is valued based on the company's financial restructuring plan.

⁴ The Fund fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value

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measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Fund.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments February 28, 2013

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

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|-------------|------------|
| Auto Components 0.5% | | |
| Dana Holding Corp. | 59,109 | \$ 988,893 |
| Delphi Automotive Plc (a) | 8,900 | 369,587 |
| | | 1,358,480 |
| Biotechnology 0.0% | | |
| Ironwood Pharmaceuticals, Inc. (a) | 7,130 | 106,451 |
| Capital Markets 1.7% | | |
| American Capital Ltd. (a) | 281,903 | 3,941,004 |
| E*Trade Financial Corp. (a) | 74,600 | 798,966 |
| Uranium Participation Corp. (a) | 35,440 | 183,515 |
| | | 4,923,485 |
| Chemicals 0.5% | | |
| ADA-ES, Inc. (a) | 1,820 | 48,357 |
| CF Industries Holdings, Inc. | 3,600 | 722,988 |
| Huntsman Corp. | 34,500 | 594,435 |
| | | 1,365,780 |
| Commercial Banks 0.6% | | |
| CIT Group, Inc. (a) | 39,377 | 1,648,321 |
| Communications Equipment 0.2% | | |
| Loral Space & Communications Ltd. | 12,778 | 744,191 |
| Diversified Financial Services 0.7% | | |
| Bank of America Corp. | 24,100 | 270,643 |
| Kcad Holdings I Ltd. | 281,902,800 | 1,902,844 |
| | | 2,173,487 |
| Diversified Telecommunication Services 0.2% | | |
| Broadview Networks Holdings, Inc. (a) | 33,638 | 225,035 |
| Level 3 Communications, Inc. (a) | 22,280 | 445,154 |
| | | 670,189 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (a) | 70,784 | 1 |
| Energy Equipment & Services 0.8% | | |
| Laricina Energy Ltd. (a) | 35,294 | 1,197,857 |
| Osum Oil Sands Corp. (a) | 82,000 | 1,083,394 |
| | | 2,281,251 |
| Hotels, Restaurants & Leisure 0.2% | | |
| Caesars Entertainment Corp. (a) | 39,748 | 496,850 |
| Travelport LLC | 76,940 | 769 |
| | | 497,619 |
| Insurance 1.0% | | |
| American International Group, Inc. (a) | 79,040 | 3,004,310 |
| Media 1.3% | | |
| Belo Corp., Class A | 23,782 | 205,477 |
| Charter Communications, Inc., Class A (a) | 42,179 | 3,643,844 |
| Clear Channel Outdoor Holdings, Inc., Class A (a) | 9,964 | 75,726 |
| | | 3,925,047 |
| Metals & Mining 0.1% | | |
| African Minerals Ltd. (a) | 47,050 | 201,030 |

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| | | |
|---------------------------|-----------|---------|
| Peninsula Energy Ltd. (a) | 7,628,138 | 254,868 |
|---------------------------|-----------|---------|

| | | |
|--|--|---------|
| | | 455,898 |
|--|--|---------|

Oil, Gas & Consumable Fuels 0.0%

| | | |
|----------------------------------|---------|--------|
| African Petroleum Corp. Ltd. (a) | 196,300 | 38,097 |
|----------------------------------|---------|--------|

Paper & Forest Products 1.0%

| | | |
|-------------------------------|---------|-----------|
| Ainsworth Lumber Co. Ltd. (a) | 489,913 | 1,553,470 |
|-------------------------------|---------|-----------|

| | | |
|----------------------------------|---------|---------|
| Ainsworth Lumber Co. Ltd. (a)(b) | 140,415 | 443,882 |
|----------------------------------|---------|---------|

| | | |
|---------------|-------|---------|
| NewPage Corp. | 8,280 | 703,800 |
|---------------|-------|---------|

| | | |
|-----------------------------------|---------|---------|
| Western Forest Products, Inc. (a) | 158,023 | 201,479 |
|-----------------------------------|---------|---------|

| | | |
|-----------------------------------|--------|--------|
| Western Forest Products, Inc. (a) | 45,762 | 55,469 |
|-----------------------------------|--------|--------|

2,958,100

Common Stocks

Shares

Value

Semiconductors & Semiconductor Equipment 0.3%

| | | |
|----------------------------------|-------|-----------|
| Freescale Semiconductor Ltd. (a) | 4,464 | \$ 68,879 |
|----------------------------------|-------|-----------|

| | | |
|---------------------------|-------|---------|
| NXP Semiconductors NV (a) | 9,532 | 308,074 |
|---------------------------|-------|---------|

| | | |
|-----------------------------|--------|---------|
| Spansion, Inc., Class A (a) | 39,567 | 465,308 |
|-----------------------------|--------|---------|

| | | |
|--------------------|-----|-------|
| SunPower Corp. (a) | 271 | 3,182 |
|--------------------|-----|-------|

845,443

Software 0.1%

| | | |
|---|-----|---|
| Bankruptcy Management Solutions, Inc. (a) | 501 | 5 |
|---|-----|---|

| | | |
|---------------------------|--------|---------|
| HMH Holdings/EduMedia (a) | 20,718 | 379,821 |
|---------------------------|--------|---------|

379,826

| | | |
|---------------------------------|--|-------------------|
| Total Common Stocks 9.2% | | 27,375,976 |
|---------------------------------|--|-------------------|

Corporate Bonds

**Par
(000)**

Aerospace & Defense 1.0%

| | | |
|--------------------------------------|---------|---------|
| Bombardier, Inc., 4.25%, 1/15/16 (b) | USD 610 | 632,875 |
|--------------------------------------|---------|---------|

| | | |
|--------------------------------------|--|--|
| Huntington Ingalls Industries, Inc.: | | |
|--------------------------------------|--|--|

| | | |
|----------------|-----|---------|
| 6.88%, 3/15/18 | 160 | 174,300 |
|----------------|-----|---------|

| | | |
|----------------|-----|---------|
| 7.13%, 3/15/21 | 260 | 283,400 |
|----------------|-----|---------|

| | | |
|--|-----|---------|
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 846 | 933,772 |
|--|-----|---------|

| | | |
|--|-----|---------|
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b) | 535 | 549,755 |
|--|-----|---------|

| | | |
|---|-----|---------|
| Spirit Aerosystems, Inc., 7.50%, 10/01/17 | 337 | 357,220 |
|---|-----|---------|

2,931,322

Air Freight & Logistics 0.4%

| | | |
|---------------------------------|--|--|
| National Air Cargo Group, Inc.: | | |
|---------------------------------|--|--|

| | | |
|---------------------------|-----|---------|
| Series 1, 12.38%, 9/02/15 | 554 | 557,335 |
|---------------------------|-----|---------|

| | | |
|---------------------------|-----|---------|
| Series 2, 12.38%, 8/16/15 | 561 | 564,296 |
|---------------------------|-----|---------|

1,121,631

Airlines 1.7%

| | | |
|--|-----|---------|
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 672 | 699,082 |
|--|-----|---------|

| | | |
|--|--|--|
| Continental Airlines Pass-Through Trust: | | |
|--|--|--|

| | | |
|--|-----|---------|
| Series 1997-4, Class B, 6.90%, 7/02/18 (c) | 188 | 190,338 |
|--|-----|---------|

| | | |
|--|-----|---------|
| Series 2010-1, Class B, 6.00%, 7/12/20 | 408 | 420,177 |
|--|-----|---------|

| | | |
|--|-----|---------|
| Series 2012-3, Class C, 6.13%, 4/29/18 | 930 | 927,675 |
|--|-----|---------|

| | | |
|-------------------------------------|--|--|
| Delta Air Lines Pass-Through Trust: | | |
|-------------------------------------|--|--|

| | | |
|--|-----|---------|
| Series 2002-1, Class G-1, 6.72%, 7/02/24 | 585 | 647,495 |
|--|-----|---------|

| | | |
|--|-----|---------|
| Series 2009-1, Class B, 9.75%, 6/17/18 | 185 | 205,325 |
|--|-----|---------|

| | | |
|--|-----|---------|
| Series 2010-1, Class B, 6.38%, 7/02/17 | 500 | 521,250 |
|--|-----|---------|

| | | |
|--------------------------------|--|--|
| US Airways Pass-Through Trust: | | |
|--------------------------------|--|--|

| | | |
|--|-----|---------|
| Series 2011-1, Class C, 10.88%, 10/22/14 | 566 | 597,328 |
|--|-----|---------|

| | | |
|---|-----|---------|
| Series 2012-1, Class C, 9.13%, 10/01/15 | 418 | 447,260 |
|---|-----|---------|

| | | |
|---|-----|---------|
| Series 2012-2, Class B, 6.75%, 12/03/22 | 300 | 313,500 |
|---|-----|---------|

4,969,430

Auto Components 2.0%

| | | |
|---|-----|---------|
| Continental Rubber of America Corp., 4.50%, 9/15/19 (b) | 150 | 153,000 |
|---|-----|---------|

| | | |
|------------------------------------|-----|---------|
| Dana Holding Corp., 6.75%, 2/15/21 | 450 | 489,937 |
|------------------------------------|-----|---------|

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| | | |
|---|-------|-----------|
| Delphi Corp.: | | |
| 6.13%, 5/15/21 | 75 | 81,750 |
| 5.00%, 2/15/23 | 150 | 156,188 |
| Icahn Enterprises LP: | | |
| 4.00%, 8/15/13 (b)(d)(e) | 255 | 255,638 |
| 8.00%, 1/15/18 | 2,805 | 3,004,856 |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (b) | 380 | 416,100 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Auto Components (concluded) | | | |
| Jaguar Land Rover Automotive Plc (FKA Jaguar Land Rover Plc), 8.25%, 3/15/20 | GBP | 482 | \$ 819,842 |
| Titan International, Inc., 7.88%, 10/01/17 | USD | 465 | 498,712 |
| | | | 5,876,023 |
| Beverages 0.1% | | | |
| Crown European Holdings SA: | | | |
| 7.13%, 8/15/18 (b) | EUR | 198 | 279,825 |
| 7.13%, 8/15/18 | | 88 | 124,367 |
| | | | 404,192 |
| Building Products 0.9% | | | |
| Building Materials Corp. of America (b): | | | |
| 7.00%, 2/15/20 | USD | 530 | 573,725 |
| 6.75%, 5/01/21 | | 790 | 848,262 |
| Grohe Holding GmbH, 8.75%, 12/15/17 (e) | EUR | 100 | 136,756 |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20 | USD | 350 | 359,188 |
| USG Corp., 9.75%, 1/15/18 | | 715 | 841,019 |
| | | | 2,758,950 |
| Capital Markets 0.4% | | | |
| E*Trade Financial Corp. (d)(f): | | | |
| 0.01%, 8/31/19 (b) | | 244 | 255,133 |
| Series A, 0.00%, 8/31/19 | | 7 | 7,319 |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b) | | 450 | 529,189 |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (b) | | 473 | 475,365 |
| | | | 1,267,006 |
| Chemicals 3.5% | | | |
| Axiall Corp., 4.88%, 5/15/23 (b) | | 177 | 179,655 |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b) | | 420 | 554,400 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | | 1,292 | 1,411,510 |
| Ciech Group Financing AB, 9.50%, 11/30/19 | EUR | 160 | 227,688 |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (b) | USD | 375 | 381,094 |
| Huntsman International LLC, 8.63%, 3/15/21 | | 170 | 192,100 |
| INEOS Finance Plc, 7.50%, 5/01/20 (b) | | 370 | 398,675 |
| Kraton Polymers LLC, 6.75%, 3/01/19 | | 125 | 130,000 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 | | 2,610 | 3,034,125 |
| Nexeo Solutions LLC, 8.38%, 3/01/18 | | 90 | 87,975 |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (b) | | 225 | 238,500 |
| Orion Engineered Carbons Bondco GmbH (FKA Kinove German Bondco GmbH), 10.00%, 6/15/18 | EUR | 342 | 495,613 |
| PolyOne Corp., 7.38%, 9/15/20 | USD | 215 | 238,112 |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 | | 745 | 771,075 |
| Tronox Finance LLC, 6.38%, 8/15/20 (b) | | 1,357 | 1,348,519 |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV: 5.75%, 2/01/21 | EUR | 200 | 266,332 |
| 7.38%, 5/01/21 (b) | USD | 357 | 369,495 |
| | | | 10,324,868 |
| Commercial Banks 0.9% | | | |
| CIT Group, Inc.: | | | |
| 5.25%, 3/15/18 | | 550 | 591,250 |
| 6.63%, 4/01/18 (b) | | 310 | 351,850 |
| 5.50%, 2/15/19 (b) | | 530 | 576,375 |
| 5.00%, 8/15/22 | | 480 | 513,600 |

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| | | | | |
|---|-----|------------|--------------|--------------|
| 6.00%, 4/01/36 | | 550 | | 538,796 |
| | | | | 2,571,871 |
| Commercial Services & Supplies 2.3% | | | | |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (b) | | 279 | | 299,925 |
| ARAMARK Holdings Corp. (b): | | | | |
| 8.63%, 5/01/16 (g) | | 440 | | 448,804 |
| 5.75%, 3/15/20 (h) | | 655 | | 668,100 |
| | | Par | | |
| | | | | |
| Corporate Bonds | | | | |
| | | | (000) | Value |
| Commercial Services & Supplies (concluded) | | | | |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b) | USD | 540 | | \$ 584,465 |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b) | | 102 | | 106,898 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | | 25 | | 26,875 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 | | 54 | | 51,705 |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18 (b) | | 622 | | 629,775 |
| Clean Harbors, Inc., 5.25%, 8/01/20 | | 528 | | 543,840 |
| Covanta Holding Corp., 6.38%, 10/01/22 | | 635 | | 688,553 |
| EC Finance Plc, 9.75%, 8/01/17 | EUR | 503 | | 714,152 |
| HDTFS, Inc. (b): | | | | |
| 5.88%, 10/15/20 | USD | 65 | | 67,600 |
| 6.25%, 10/15/22 | | 265 | | 284,875 |
| Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (b) | | 76 | | 80,465 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | | 365 | | 406,063 |
| RSC Equipment Rental, Inc., 8.25%, 2/01/21 | | 468 | | 530,595 |
| Verisure Holding AB: | | | | |
| 8.75%, 9/01/18 | EUR | 184 | | 259,439 |
| 8.75%, 12/01/18 | | 100 | | 133,166 |
| West Corp., 8.63%, 10/01/18 | USD | 135 | | 143,775 |
| | | | | 6,669,070 |
| Communications Equipment 1.1% | | | | |
| Alcatel-Lucent USA, Inc.: | | | | |
| 6.50%, 1/15/28 | | 60 | | 46,200 |
| 6.45%, 3/15/29 | | 185 | | 143,837 |
| Avaya, Inc., 9.75%, 11/01/15 | | 629 | | 618,779 |
| Zayo Group LLC/Zayo Capital, Inc.: | | | | |
| 8.13%, 1/01/20 | | 950 | | 1,061,625 |
| 10.13%, 7/01/20 | | 1,270 | | 1,489,075 |
| | | | | 3,359,516 |
| Computers & Peripherals 0.2% | | | | |
| EMC Corp., Series B, 1.75%, 12/01/13 (d) | | 201 | | 290,696 |
| SanDisk Corp., 1.50%, 8/15/17 (d) | | 285 | | 350,907 |
| | | | | 641,603 |
| Construction & Engineering 0.3% | | | | |
| Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (b) | | 200 | | 207,500 |
| H&E Equipment Services, Inc., 7.00%, 9/01/22 (b) | | 441 | | 482,895 |
| Weekley Homes LLC, 6.00%, 2/01/23 (b) | | 156 | | 159,120 |
| | | | | 849,515 |
| Construction Materials 2.1% | | | | |
| Buzzi Unicem SpA, 6.25%, 9/28/18 | EUR | 138 | | 193,804 |
| HD Supply, Inc. (b): | | | | |
| 8.13%, 4/15/19 | USD | 1,265 | | 1,424,706 |
| 11.00%, 4/15/20 | | 1,325 | | 1,596,625 |
| 7.50%, 7/15/20 | | 1,947 | | 1,949,434 |
| 11.50%, 7/15/20 | | 520 | | 599,300 |
| HeidelbergCement AG, 7.50%, 4/03/20 | EUR | 54 | | 84,952 |
| Xefin Lux SCA, 8.00%, 6/01/18 (b) | | 254 | | 356,066 |
| | | | | 6,204,887 |
| Consumer Finance 0.2% | | | | |
| Credit Acceptance Corp., 9.13%, 2/01/17 | USD | 445 | | 485,050 |
| Containers & Packaging 2.2% | | | | |

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| | | | |
|-------------------------------|-----|-----|---------|
| Ardagh Packaging Finance Plc: | | | |
| 7.38%, 10/15/17 | EUR | 200 | 283,304 |
| 7.38%, 10/15/17 (b) | | 375 | 531,195 |
| 7.38%, 10/15/17 (b) | USD | 200 | 217,750 |
| 9.13%, 10/15/20 (b) | | 409 | 447,855 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Containers & Packaging (concluded) | | | |
| Ardagh Packaging Finance Plc (concluded): | | | |
| 9.13%, 10/15/20 (b) | USD | 395 | \$ 430,550 |
| 7.00%, 11/15/20 (b) | | 480 | 481,200 |
| 4.88%, 11/15/22 (b) | | 200 | 197,000 |
| 5.00%, 11/15/22 | EUR | 220 | 285,067 |
| Berry Plastics Corp.: | | | |
| 4.18%, 9/15/14 (e) | USD | 300 | 300,000 |
| 8.25%, 11/15/15 | | 115 | 119,853 |
| 9.75%, 1/15/21 | | 185 | 213,675 |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR | 706 | 924,207 |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | USD | 11 | 11,990 |
| Crown Americas LLC/Crown Americas Capital Corp. IV, 4.50%, 1/15/23 (b) | | 122 | 119,255 |
| GCL Holdings SCA, 9.38%, 4/15/18 (b) | EUR | 267 | 378,281 |
| Graphic Packaging International, Inc., 7.88%, 10/01/18 | USD | 375 | 412,500 |
| Pactiv LLC, 7.95%, 12/15/25 | | 412 | 386,250 |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (b) | | 553 | 611,065 |
| | | | 6,350,997 |
| Distributors 0.5% | | | |
| VWR Funding, Inc., 7.25%, 9/15/17 (b) | | 1,374 | 1,446,135 |
| Diversified Consumer Services 2.1% | | | |
| 313 Group, Inc. (b): | | | |
| 6.38%, 12/01/19 | | 987 | 962,325 |
| 8.75%, 12/01/20 | | 597 | 589,537 |
| Laureate Education, Inc., 9.25%, 9/01/19 (b) | | 1,250 | 1,359,375 |
| Service Corp. International, 7.00%, 6/15/17 | | 2,780 | 3,144,875 |
| ServiceMaster Co., 8.00%, 2/15/20 | | 190 | 201,400 |
| | | | 6,257,512 |
| Diversified Financial Services 5.3% | | | |
| Air Lease Corp., 4.50%, 1/15/16 | | 590 | 603,275 |
| Aircastle Ltd.: | | | |
| 6.75%, 4/15/17 | | 375 | 413,438 |
| 6.25%, 12/01/19 | | 326 | 351,265 |
| Ally Financial, Inc.: | | | |
| 7.50%, 12/31/13 | | 280 | 294,000 |
| 8.00%, 11/01/31 | | 3,000 | 3,768,750 |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b) | | 472 | 465,510 |
| Co-Operative Group Ltd. (i): | | | |
| 5.63%, 7/08/20 | GBP | 170 | 270,278 |
| 6.25%, 7/08/26 | | 100 | 159,745 |
| DPL, Inc.: | | | |
| 6.50%, 10/15/16 | USD | 324 | 340,200 |
| 7.25%, 10/15/21 | | 851 | 912,698 |
| Gala Group Finance Plc, 8.88%, 9/01/18 | GBP | 600 | 983,048 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | USD | 300 | 345,000 |
| Lehman Brothers Holdings, Inc. (a)(j): | | | |
| 5.38%, 10/17/13 | EUR | 150 | 53,364 |
| 4.75%, 1/16/14 | | 760 | 270,379 |
| 1.00%, 2/05/14 | | 1,600 | 558,775 |
| 1.00%, 9/22/18 | USD | 175 | 45,500 |
| 1.00%, 12/31/49 | | 620 | 161,200 |
| Leucadia National Corp., 8.13%, 9/15/15 | | 825 | 932,250 |
| Reynolds Group Issuer, Inc.: | | | |
| 7.13%, 4/15/19 | | 245 | 263,069 |
| 9.00%, 4/15/19 | | 475 | 503,500 |

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| | | | | |
|---|-----|--------------|----|--------------|
| 7.88%, 8/15/19 | | 255 | | 281,775 |
| 9.88%, 8/15/19 | | 580 | | 635,100 |
| 5.75%, 10/15/20 | | 2,085 | | 2,152,763 |
| | | Par | | |
| | | (000) | | Value |
| Corporate Bonds | | | | |
| Diversified Financial Services (concluded) | | | | |
| WMG Acquisition Corp.: | | | | |
| 11.50%, 10/01/18 | USD | 416 | \$ | 483,080 |
| 6.00%, 1/15/21 (b) | | 331 | | 342,585 |
| | | | | 15,590,547 |
| Diversified Telecommunication Services 2.4% | | | | |
| Broadview Networks Holdings, Inc., 10.50%, 11/15/17 | | | | |
| | | 518 | | 505,856 |
| Cequel Communications Escrow I LLC/Cequel Communications Escrow Capital Corp., | | | | |
| 6.38%, 9/15/20 (b) | | 475 | | 491,031 |
| Consolidated Communications Finance Co., 10.88%, 6/01/20 (b) | | | | |
| | | 345 | | 390,713 |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b) | | | | |
| | | 315 | | 340,200 |
| Level 3 Financing, Inc.: | | | | |
| 8.13%, 7/01/19 | | 1,180 | | 1,286,200 |
| 7.00%, 6/01/20 (b) | | 434 | | 455,700 |
| 8.63%, 7/15/20 | | 845 | | 937,950 |
| Lynx I Corp., 5.38%, 4/15/21 (b) | | 290 | | 297,250 |
| OTE Plc, 7.25%, 2/12/15 (i) | EUR | 101 | | 132,520 |
| Telenet Finance V Luxembourg SCA: | | | | |
| 6.25%, 8/15/22 | | 250 | | 334,547 |
| 6.75%, 8/15/24 | | 467 | | 637,128 |
| tw telecom Holdings, Inc., 5.38%, 10/01/22 | USD | 300 | | 312,750 |
| Windstream Corp.: | | | | |
| 8.13%, 8/01/13 | | 460 | | 472,052 |
| 7.88%, 11/01/17 | | 393 | | 445,072 |
| 7.50%, 4/01/23 | | 80 | | 83,600 |
| 6.38%, 8/01/23 (b) | | 80 | | 78,400 |
| | | | | 7,200,969 |
| Electric Utilities 0.7% | | | | |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17 | | | | |
| | | 290 | | 321,854 |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14 | EUR | 1,300 | | 1,733,365 |
| | | | | 2,055,219 |
| Electrical Equipment 0.5% | | | | |
| Belden, Inc., 5.50%, 9/01/22 (b) | | | | |
| | USD | 370 | | 379,250 |
| General Cable Corp., 5.75%, 10/01/22 (b) | | | | |
| | | 610 | | 625,250 |
| Techem GmbH, 6.13%, 10/01/19 | | | | |
| | EUR | 300 | | 416,144 |
| | | | | 1,420,644 |
| Electronic Equipment, Instruments & Components 0.1% | | | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | | | | |
| | USD | 235 | | 282,588 |
| NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (b) | | | | |
| | | 100 | | 114,250 |
| | | | | 396,838 |
| Energy Equipment & Services 3.7% | | | | |
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | | | | |
| | | 140 | | 152,250 |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b) | | | | |
| | | 335 | | 336,675 |
| Compagnie Générale de Géophysique, Veritas: | | | | |
| 7.75%, 5/15/17 | | 250 | | 257,812 |
| 6.50%, 6/01/21 | | 1,255 | | 1,305,200 |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (b) | | | | |
| | | 1,083 | | 1,120,905 |
| Genesis Energy LP/Genesi Energy Finance Corp, 5.75%, 2/15/21 (b) | | | | |
| | | 170 | | 175,950 |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 | | | | |
| | | 155 | | 160,038 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 | | | | |
| | | 315 | | 330,750 |
| MEG Energy Corp. (b): | | | | |
| 6.50%, 3/15/21 | | 1,365 | | 1,440,075 |
| 6.38%, 1/30/23 | | 360 | | 372,600 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Energy Equipment & Services (concluded) | | | |
| Oil States International, Inc.: | | | |
| 6.50%, 6/01/19 | USD | 320 | \$ 342,400 |
| 5.13%, 1/15/23 (b) | | 135 | 135,000 |
| Peabody Energy Corp.: | | | |
| 6.00%, 11/15/18 | | 230 | 244,375 |
| 6.25%, 11/15/21 | | 1,175 | 1,222,000 |
| 7.88%, 11/01/26 | | 375 | 401,250 |
| 4.75%, 12/15/41 (d) | | 713 | 605,604 |
| Precision Drilling Corp.: | | | |
| 6.63%, 11/15/20 | | 75 | 79,688 |
| 6.50%, 12/15/21 | | 295 | 312,700 |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (b) | | 234 | 245,700 |
| Seadrill Ltd., 5.63%, 9/15/17 (b) | | 1,360 | 1,377,000 |
| Tervita Corp., 8.00%, 11/15/18 (b) | | 372 | 383,160 |
| | | | 11,001,132 |
| Food & Staples Retailing 0.4% | | | |
| Bakkavor Finance 2 Plc, 8.25%, 2/15/18 | | | |
| | GBP | 319 | 491,198 |
| Rite Aid Corp., 9.25%, 3/15/20 | USD | 375 | 420,000 |
| Zobebe Holding SpA, 7.88%, 2/01/18 | EUR | 100 | 132,513 |
| | | | 1,043,711 |
| Food Products 0.4% | | | |
| Darling International, Inc., 8.50%, 12/15/18 | | | |
| | USD | 115 | 130,813 |
| Del Monte Corp., 7.63%, 2/15/19 | | 61 | 63,288 |
| Post Holdings, Inc., 7.38%, 2/15/22 | | 520 | 561,600 |
| Smithfield Foods, Inc., 6.63%, 8/15/22 | | 477 | 518,737 |
| | | | 1,274,438 |
| Health Care Equipment & Supplies 2.3% | | | |
| Biomet, Inc. (b): | | | |
| 6.50%, 8/01/20 | | 1,779 | 1,881,292 |
| 6.50%, 10/01/20 | | 2,161 | 2,225,830 |
| DJO Finance LLC: | | | |
| 8.75%, 3/15/18 | | 379 | 418,321 |
| 7.75%, 4/15/18 | | 100 | 99,500 |
| 9.88%, 4/15/18 | | 450 | 480,375 |
| Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (b) | | 290 | 316,100 |
| Fresenius Medical Care US Finance II, Inc., 5.63%, 7/31/19 (b) | | 208 | 225,160 |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b) | | 540 | 619,650 |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19 (b) | | 320 | 313,600 |
| Teleflex, Inc., 6.88%, 6/01/19 | | 295 | 320,813 |
| | | | 6,900,641 |
| Health Care Providers & Services 8.1% | | | |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | | | |
| | | 570 | 611,325 |
| Care UK Health & Social Care Plc, 9.75%, 8/01/17 | GBP | 130 | 198,696 |
| CHS/Community Health Systems, Inc.: | | | |
| 5.13%, 8/15/18 | USD | 785 | 825,231 |
| 7.13%, 7/15/20 | | 456 | 491,340 |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b) | EUR | 494 | 683,638 |
| Crown Newco 3 Plc: | | | |
| 7.00%, 2/15/18 | GBP | 100 | 156,635 |
| 7.00%, 2/15/18 (b) | | 364 | 570,153 |
| DaVita HealthCare Partners, Inc., 5.75%, 8/15/22 | USD | 893 | 930,953 |

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| | | | |
|--|-----|--------------|--------------|
| HCA Holdings, Inc., 6.25%, 2/15/21 | | 1,096 | 1,156,280 |
| HCA, Inc.: | | | |
| 8.50%, 4/15/19 | | 135 | 149,513 |
| 6.50%, 2/15/20 | | 2,045 | 2,290,400 |
| 7.88%, 2/15/20 | | 275 | 304,906 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Health Care Providers & Services (concluded) | | | |
| HCA, Inc. (concluded): | | | |
| 7.25%, 9/15/20 | USD | 2,410 | \$ 2,675,100 |
| 5.88%, 3/15/22 | | 220 | 237,050 |
| 4.75%, 5/01/23 | | 1,041 | 1,038,397 |
| Hologic, Inc., 6.25%, 8/01/20 (b) | | 1,897 | 2,001,335 |
| IASIS Healthcare LLC, 8.38%, 5/15/19 | | 646 | 665,380 |
| INC Research LLC, 11.50%, 7/15/19 (b) | | 350 | 373,625 |
| inVentiv Health, Inc., 9.00%, 1/15/18 (b) | | 630 | 656,775 |
| Omnicare, Inc.: | | | |
| 7.75%, 6/01/20 | | 1,005 | 1,115,550 |
| 3.75%, 4/01/42 (d) | | 161 | 167,843 |
| Symbion, Inc., 8.00%, 6/15/16 | | 345 | 360,525 |
| Tenet Healthcare Corp.: | | | |
| 6.25%, 11/01/18 | | 1,075 | 1,190,562 |
| 8.88%, 7/01/19 | | 2,624 | 2,965,120 |
| 6.75%, 2/01/20 | | 525 | 561,750 |
| 4.50%, 4/01/21 (b) | | 722 | 712,073 |
| Vanguard Health Holding Co. II LLC: | | | |
| 8.00%, 2/01/18 | | 243 | 258,795 |
| 7.75%, 2/01/19 (b) | | 465 | 498,131 |
| Voyage Care Bondco Plc, 6.50%, 8/01/18 | GBP | 130 | 200,668 |
| | | | 24,047,749 |
| Health Care Technology 1.0% | | | |
| IMS Health, Inc. (b): | | | |
| 12.50%, 3/01/18 | USD | 2,225 | 2,681,125 |
| 6.00%, 11/01/20 | | 143 | 148,720 |
| | | | 2,829,845 |
| Hotels, Restaurants & Leisure 3.3% | | | |
| Caesars Entertainment Operating Co., Inc.: | | | |
| 10.00%, 12/15/18 | | 495 | 326,700 |
| 8.50%, 2/15/20 | | 200 | 195,000 |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (b) | | 1,016 | 1,003,300 |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (b) | | 325 | 339,625 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18 | EUR | 480 | 614,130 |
| Diamond Resorts Corp., 12.00%, 8/15/18 | USD | 1,190 | 1,309,000 |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (b) | | 140 | 139,125 |
| Enterprise Inns Plc, 6.50%, 12/06/18 | GBP | 324 | 482,923 |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19 | EUR | 265 | 356,350 |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b) | USD | 300 | 288,000 |
| MCE Finance Ltd., 5.00%, 2/15/21 (b) | | 677 | 677,000 |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (g) | | 151 | 156,780 |
| Regal Entertainment Group, 5.75%, 2/01/25 | | 260 | 254,800 |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b) | | 600 | 588,000 |
| Station Casinos LLC: | | | |
| 3.66%, 6/18/18 | | 672 | 672,000 |
| 7.50%, 3/01/21 (b) | | 1,178 | 1,185,362 |
| Travelport LLC: | | | |
| 4.94%, 9/01/14 (e) | | 180 | 163,800 |
| 6.31%, 12/01/16 (b)(g) | | 433 | 392,993 |
| Tropicana Entertainment LLC, 9.63%, 12/15/14 (a)(j) | | 305 | |
| The Unique Pub Finance Co. Plc, Series A3, 6.54%, 3/30/21 | GBP | 100 | 151,326 |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 | USD | 395 | 415,244 |
| | | | 9,711,458 |
| Household Durables 2.6% | | | |
| Algeco Scotsman Global Finance Plc, 9.00%, 10/15/18 | | | |
| | EUR | 100 | 135,777 |
| Ashton Woods USA LLC, 6.88%, 2/15/21 (b) | USD | 228 | 229,140 |

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See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Household Durables (concluded) | | | |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 | USD | 50 | \$ 53,438 |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (b) | | 410 | 434,600 |
| Jarden Corp., 7.50%, 1/15/20 | EUR | 305 | 429,053 |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b) | USD | 950 | 1,045,000 |
| Libbey Glass, Inc., 6.88%, 5/15/20 | | 610 | 654,225 |
| PH Holding LLC, 9.75%, 12/31/17 | | 345 | 338,100 |
| Pulte Group, Inc., 6.38%, 5/15/33 | | 190 | 192,850 |
| The Ryland Group, Inc., 6.63%, 5/01/20 | | 340 | 374,000 |
| Spie BondCo 3 SCA, 11.00%, 8/15/19 | EUR | 303 | 441,073 |
| Standard Pacific Corp.: | | | |
| 10.75%, 9/15/16 | USD | 1,290 | 1,606,050 |
| 8.38%, 1/15/21 | | 970 | 1,151,875 |
| United Rentals North America, Inc., 5.75%, 7/15/18 | | 257 | 276,596 |
| William Lyon Homes, Inc., 8.50%, 11/15/20 (b) | | 300 | 322,500 |
| | | | 7,684,277 |
| Household Products 0.8% | | | |
| Ontex IV SA: | | | |
| 7.50%, 4/15/18 | EUR | 100 | 135,777 |
| 7.50%, 4/15/18 (b) | | 150 | 203,666 |
| 9.00%, 4/15/19 | | 213 | 285,034 |
| Spectrum Brands Escrow Corp. (b): | | | |
| 6.38%, 11/15/20 | USD | 384 | 408,480 |
| 6.63%, 11/15/22 | | 250 | 269,375 |
| Spectrum Brands, Inc.: | | | |
| 9.50%, 6/15/18 | | 950 | 1,077,062 |
| 6.75%, 3/15/20 (b) | | 96 | 103,440 |
| | | | 2,482,834 |
| Independent Power Producers & Energy Traders 3.6% | | | |
| The AES Corp., 7.38%, 7/01/21 | | 275 | 310,750 |
| Calpine Corp. (b): | | | |
| 7.25%, 10/15/17 | | 162 | 172,328 |
| 7.50%, 2/15/21 | | 90 | 97,875 |
| 7.88%, 1/15/23 | | 401 | 444,107 |
| Energy Future Intermediate Holding Co. LLC: | | | |
| 6.88%, 8/15/17 (b) | | 755 | 796,525 |
| 10.00%, 12/01/20 (b) | | 1,440 | 1,623,600 |
| 10.00%, 12/01/20 | | 2,391 | 2,713,785 |
| GenOn REMA LLC: | | | |
| Series B 9.24%, 7/02/17 | | 242 | 266,308 |
| Series C 9.68%, 7/02/26 | | 305 | 332,450 |
| Laredo Petroleum, Inc.: | | | |
| 9.50%, 2/15/19 | | 485 | 548,050 |
| 7.38%, 5/01/22 | | 370 | 401,450 |
| NRG Energy, Inc.: | | | |
| 7.63%, 1/15/18 | | 1,526 | 1,749,177 |
| 6.63%, 3/15/23 (b) | | 660 | 702,900 |
| QEP Resources, Inc.: | | | |
| 5.38%, 10/01/22 | | 333 | 348,818 |
| 5.25%, 5/01/23 | | 255 | 263,925 |
| | | | 10,772,048 |
| Industrial Conglomerates 0.2% | | | |
| Sequa Corp., 7.00%, 12/15/17 (b) | | 580 | 584,350 |

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| | | | |
|---|-----|----------------------|--------------|
| Insurance 0.6% | | | |
| Alliant Holdings I, Inc., 7.88%, 12/15/20 (b) | | 1,120 | 1,125,600 |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (b) | | 225 | 238,500 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b) | | 260 | 257,400 |
| TMF Group Holding BV, 9.88%, 12/01/19 | EUR | 100 | 131,860 |
| | | | 1,753,360 |
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Internet Software & Services 0.1% | | | |
| Cerved Technologies SpA: | | | |
| 6.38%, 1/15/20 | EUR | 100 | \$ 129,902 |
| 8.00%, 1/15/21 | | 100 | 126,965 |
| Equinix, Inc., 4.88%, 4/01/20 | USD | 149 | 149,000 |
| | | | 405,867 |
| IT Services 3.3% | | | |
| Ceridian Corp., 8.88%, 7/15/19 (b) | | 1,260 | 1,420,650 |
| Epicor Software Corp., 8.63%, 5/01/19 | | 570 | 614,175 |
| First Data Corp.: | | | |
| 7.38%, 6/15/19 (b) | | 1,580 | 1,660,975 |
| 8.88%, 8/15/20 (b) | | 535 | 591,175 |
| 6.75%, 11/01/20 (b) | | 1,906 | 1,956,032 |
| 8.25%, 1/15/21 (b) | | 130 | 132,925 |
| 11.25%, 1/15/21 (b) | | 499 | 508,980 |
| 12.63%, 1/15/21 | | 836 | 891,385 |
| SunGard Data Systems, Inc.: | | | |
| 7.38%, 11/15/18 | | 550 | 590,563 |
| 6.63%, 11/01/19 (b) | | 805 | 827,137 |
| WEX, Inc., 4.75%, 2/01/23 (b) | | 495 | 478,913 |
| | | | 9,672,910 |
| Machinery 1.6% | | | |
| Dematic SA, 7.75%, 12/15/20 (b) | | 93 | 95,093 |
| The Manitowoc Co., Inc., 5.88%, 10/15/22 | | 475 | 486,875 |
| Silver II Borrower/Silver II US Holdings LLC, 7.75%, 12/15/20 (b) | | 282 | 293,280 |
| SPX Corp., 6.88%, 9/01/17 | | 175 | 195,563 |
| Terex Corp., 6.00%, 5/15/21 | | 475 | 492,812 |
| Trinseo Materials Operating SCA, 8.75%, 2/01/19 (b) | | 413 | 411,451 |
| UR Merger Sub Corp.: | | | |
| 7.38%, 5/15/20 | | 440 | 481,800 |
| 7.63%, 4/15/22 | | 1,997 | 2,211,677 |
| 6.13%, 6/15/23 | | 190 | 199,500 |
| | | | 4,868,051 |
| Media 9.8% | | | |
| Affinion Group, Inc., 7.88%, 12/15/18 | | 395 | 300,200 |
| AMC Networks, Inc.: | | | |
| 7.75%, 7/15/21 | | 225 | 255,375 |
| 4.75%, 12/15/22 | | 359 | 357,654 |
| Cablevision Systems Corp., 5.88%, 9/15/22 | | 560 | 543,200 |
| CCO Holdings LLC: | | | |
| 5.25%, 9/30/22 | | 790 | 777,162 |
| 5.13%, 2/15/23 | | 620 | 604,500 |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (b) | | 542 | 428,180 |
| Checkout Holding Corp., 11.49%, 11/15/15 (b)(f) | | 430 | 317,662 |
| Cinemark USA, Inc.: | | | |
| 8.63%, 6/15/19 | | 220 | 243,925 |
| 5.13%, 12/15/22 (b) | | 213 | 214,065 |
| Clear Channel Communications, Inc., 9.00%, 12/15/19 (b)(h) | | 748 | 695,640 |
| Clear Channel Worldwide Holdings, Inc.: | | | |
| 6.50%, 11/15/22 (b) | | 1,679 | 1,767,147 |
| 6.50%, 11/15/22 (b) | | 621 | 648,945 |
| Series B, 7.63%, 3/15/20 | | 1,127 | 1,166,445 |
| DISH DBS Corp.: | | | |
| 5.88%, 7/15/22 | | 1,010 | 1,065,550 |
| 5.00%, 3/15/23 (b) | | 680 | 674,900 |
| Harron Communications LP, 9.13%, 4/01/20 (b) | | 320 | 352,000 |

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| | | |
|-------------------------------|-----|---------|
| Intelsat Jackson Holdings SA: | | |
| 7.25%, 10/15/20 | 700 | 750,750 |
| 6.63%, 12/15/22 (b) | 170 | 171,275 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Media (concluded) | | | |
| Intelsat Luxembourg SA: | | | |
| 11.25%, 2/04/17 | USD | 620 | \$ 658,750 |
| 11.50%, 2/04/17 | | 2,245 | 2,388,417 |
| Interactive Data Corp., 10.25%, 8/01/18 | | 1,345 | 1,524,894 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | | 340 | 366,775 |
| Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (b) | EUR | 345 | 482,304 |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b) | USD | 735 | 797,475 |
| Lynx I Corp., 6.00%, 4/15/21 | GBP | 1,020 | 1,589,944 |
| Lynx II Corp., 6.38%, 4/15/23 (b) | USD | 200 | 207,250 |
| The McClatchy Co., 9.00%, 12/15/22 (b) | | 430 | 454,725 |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b) | | 558 | 608,220 |
| Nara Cable Funding Ltd., 8.88%, 12/01/18 | EUR | 200 | 274,165 |
| Nielsen Finance LLC: | | | |
| 11.63%, 2/01/14 | USD | 117 | 127,823 |
| 7.75%, 10/15/18 | | 1,143 | 1,265,872 |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (b) | GBP | 207 | 326,591 |
| ProQuest LLC, 9.00%, 10/15/18 (b) | USD | 181 | 179,643 |
| ProtoStar I Ltd., 18.00%, 10/15/13 | | 850 | 425 |
| Sterling Entertainment Corp., 10.00%, 12/15/19 | | 875 | 875,000 |
| Unitymedia GmbH: | | | |
| 9.63%, 12/01/19 (b) | EUR | 570 | 823,417 |
| 9.50%, 3/15/21 | | 320 | 475,680 |
| Unitymedia Hessen GmbH & Co. KG: | | | |
| 7.50%, 3/15/19 | | 794 | 1,127,309 |
| 5.50%, 1/15/23 (b) | USD | 520 | 525,200 |
| Univision Communications, Inc., 6.75%, 9/15/22 (b) | | 438 | 473,040 |
| UPCB Finance II Ltd.: | | | |
| 6.38%, 7/01/20 | EUR | 300 | 415,165 |
| 6.38%, 7/01/20 (b) | | 822 | 1,137,551 |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b) | USD | 358 | 375,900 |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b) | EUR | 178 | 250,979 |
| | | | 29,067,089 |
| Metals & Mining 4.9% | | | |
| ArcelorMittal: | | | |
| 9.50%, 2/15/15 | USD | 315 | 355,556 |
| 4.25%, 8/05/15 | | 395 | 408,960 |
| 4.25%, 3/01/16 | | 125 | 128,750 |
| 5.00%, 2/25/17 | | 419 | 435,969 |
| 6.13%, 6/01/18 | | 418 | 450,729 |
| 6.00%, 3/01/21 | | 59 | 62,615 |
| 6.75%, 2/25/22 | | 493 | 542,846 |
| 7.50%, 10/15/39 | | 61 | 63,236 |
| 7.25%, 3/01/41 | | 232 | 231,420 |
| Eco-Bat Finance Plc, 7.75%, 2/15/17 | EUR | 460 | 620,071 |
| FMG Resources August 2006 Property Ltd. (b): | | | |
| 6.38%, 2/01/16 | USD | 438 | 456,511 |
| 6.00%, 4/01/17 | | 480 | 500,400 |
| Global Brass and Copper, Inc., 9.50%, 6/01/19 (b) | | 300 | 326,250 |
| GoldCorp, Inc., 2.00%, 8/01/14 (d) | | 1,060 | 1,110,350 |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 | | 225 | 251,438 |
| New Gold, Inc. (b): | | | |
| 7.00%, 4/15/20 | | 150 | 162,000 |
| 6.25%, 11/15/22 | | 300 | 315,750 |
| New World Resources NV: | | | |
| 7.88%, 5/01/18 | EUR | 210 | 281,151 |

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| | | | |
|---|-----|--------------|--------------|
| 7.88%, 1/15/21 | | 320 | 386,443 |
| Newmont Mining Corp., Series A, 1.25%, 7/15/14 (d) | USD | 1,475 | 1,628,953 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Metals & Mining (concluded) | | | |
| Novelis, Inc., 8.75%, 12/15/20 | USD | 3,065 | \$ 3,432,800 |
| Peninsula Energy Ltd., 11.00, 12/14/14 | | 600 | 600,000 |
| Perstorp Holding AB, 8.75%, 5/15/17 (b) | | 205 | 215,250 |
| Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19 | EUR | 315 | 368,190 |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (b) | USD | 245 | 262,150 |
| Taseko Mines Ltd., 7.75%, 4/15/19 | | 420 | 417,900 |
| Vedanta Resources Plc, 8.25%, 6/07/21 (b) | | 270 | 307,125 |
| Walter Energy, Inc., 9.88%, 12/15/20 (b) | | 132 | 143,550 |
| | | | 14,466,363 |
| Multiline Retail 0.4% | | | |
| Dollar General Corp., 4.13%, 7/15/17 | | 792 | 837,540 |
| Dufry Finance SCA, 5.50%, 10/15/20 (b) | | 403 | 420,128 |
| | | | 1,257,668 |
| Oil, Gas & Consumable Fuels 9.1% | | | |
| Access Midstream Partners LP: | | | |
| 6.13%, 7/15/22 | | 275 | 294,937 |
| 4.88%, 5/15/23 | | 375 | 371,250 |
| Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (d) | | 880 | 839,850 |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b) | | 680 | 731,000 |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 | | 255 | 270,938 |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20 | | 240 | 252,000 |
| Chaparral Energy, Inc., 7.63%, 11/15/22 | | 220 | 238,700 |
| Chesapeake Energy Corp.: | | | |
| 7.25%, 12/15/18 | | 120 | 135,600 |
| 6.63%, 8/15/20 | | 180 | 197,100 |
| 6.88%, 11/15/20 | | 175 | 192,500 |
| 6.13%, 2/15/21 | | 78 | 82,680 |
| Concho Resources, Inc.: | | | |
| 7.00%, 1/15/21 | | 160 | 176,800 |
| 6.50%, 1/15/22 | | 297 | 323,730 |
| 5.50%, 10/01/22 | | 225 | 234,281 |
| CONSOL Energy, Inc., 8.25%, 4/01/20 | | 315 | 347,287 |
| Continental Resources, Inc., 7.13%, 4/01/21 | | 370 | 419,950 |
| Crosstex Energy LP, 8.88%, 2/15/18 | | 150 | 161,625 |
| Crown Oil Partners IV LP, 15.00%, 3/07/15 | | 609 | 639,846 |
| CVR Refining LLC/Coffeyville Finance, Inc., 6.50%, 11/01/22 (b) | | 385 | 387,887 |
| Denbury Resources, Inc., 4.63%, 7/15/23 | | 771 | 756,544 |
| Energy XXI Gulf Coast, Inc.: | | | |
| 9.25%, 12/15/17 | | 465 | 525,450 |
| 7.75%, 6/15/19 | | 540 | 579,150 |
| EP Energy LLC/Everest Acquisition Finance, Inc.: | | | |
| 6.88%, 5/01/19 | | 345 | 376,050 |
| 7.75%, 9/01/22 | | 215 | 232,738 |
| EV Energy Partners LP, 8.00%, 4/15/19 | | 150 | 157,125 |
| Halcon Resources Corp., 8.88%, 5/15/21 (b) | | 415 | 446,125 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b) | | 260 | 286,650 |
| Holly Energy Partners LP, 6.50%, 3/01/20 (b) | | 155 | 165,850 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 | | 350 | 393,750 |
| Linn Energy LLC: | | | |
| 6.50%, 5/15/19 | | 43 | 44,505 |
| 6.25%, 11/01/19 (b) | | 1,192 | 1,215,840 |
| 8.63%, 4/15/20 | | 110 | 121,688 |
| 7.75%, 2/01/21 | | 155 | 167,400 |
| MarkWest Energy Partners LP: | | | |
| 5.50%, 2/15/23 | | 225 | 236,250 |
| 4.50%, 7/15/23 | | 152 | 148,580 |
| Newfield Exploration Co., 6.88%, 2/01/20 | | 780 | 836,550 |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 | | 310 | 323,950 |
| Oasis Petroleum, Inc.: | | | |
| 7.25%, 2/01/19 | | 205 | 221,400 |
| 6.50%, 11/01/21 | | 290 | 313,200 |

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See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Oil, Gas & Consumable Fuels (concluded) | | |
| Offshore Group Investments Ltd., 11.50%, 8/01/15 | USD 692 | \$ 754,280 |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (b) | 220 | 239,250 |
| PDC Energy, Inc., 7.75%, 10/15/22 (b) | 210 | 222,075 |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (b) | 610 | 622,200 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b) | 775 | 852,500 |
| Plains Exploration & Production Co., 6.88%, 2/15/23 | 1,050 | 1,210,125 |
| Range Resources Corp.: | | |
| 8.00%, 5/15/19 | 345 | 379,500 |
| 5.75%, 6/01/21 | 1,019 | 1,085,235 |
| 5.00%, 8/15/22 | 401 | 410,022 |
| Regency Energy Partners LP: | | |
| 6.88%, 12/01/18 | 393 | 424,440 |
| 5.50%, 4/15/23 | 652 | 687,860 |
| Sabine Pass Liquefaction LLC, 5.63%, 2/01/21 (b) | 1,623 | 1,675,747 |
| Sabine Pass Liquefied Natural Gas LP: | | |
| 7.50%, 11/30/16 | 1,520 | 1,679,600 |
| 6.50%, 11/01/20 (b) | 325 | 342,875 |
| SandRidge Energy, Inc., 7.50%, 2/15/23 | 513 | 537,367 |
| SESI LLC: | | |
| 6.38%, 5/01/19 | 325 | 348,562 |
| 7.13%, 12/15/21 | 235 | 260,263 |
| SM Energy Co.: | | |
| 6.63%, 2/15/19 | 130 | 139,425 |
| 6.50%, 11/15/21 | 265 | 288,188 |
| 6.50%, 1/01/23 | 390 | 422,175 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (b) | 155 | 161,588 |
| Vanguard Natural Resources, 7.88%, 4/01/20 | 270 | 283,500 |
| | | 26,873,533 |
| Paper & Forest Products 0.8% | | |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b) | 355 | 382,513 |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 60 | 64,875 |
| 8.00%, 4/01/20 | 125 | 137,813 |
| Clearwater Paper Corp., 7.13%, 11/01/18 | 585 | 633,262 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (b) | 345 | 362,250 |
| NewPage Corp., 11.38%, 12/31/14 (a)(j) | 1,913 | |
| Sappi Papier Holding GmbH (b): | | |
| 8.38%, 6/15/19 | 200 | 224,000 |
| 6.63%, 4/15/21 | 140 | 144,900 |
| Unifrax I LLC, 7.50%, 2/15/19 (b) | 260 | 263,900 |
| | | 2,213,513 |
| Pharmaceuticals 1.6% | | |
| Capsugel Finance Co. SCA: | | |
| 9.88%, 8/01/19 (b) | EUR 200 | 293,749 |
| 9.88%, 8/01/19 | 100 | 146,874 |
| Elan Corp. Plc, 6.25%, 10/15/19 (b) | USD 643 | 737,039 |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (b) | 414 | 475,065 |
| Mylan, Inc., 6.00%, 11/15/18 (b) | 120 | 132,164 |
| Valeant Pharmaceuticals International (b): | | |
| 6.50%, 7/15/16 | 434 | 455,971 |
| 6.88%, 12/01/18 | 762 | 827,722 |
| 6.38%, 10/15/20 | 405 | 435,881 |
| 6.75%, 8/15/21 | 490 | 529,813 |
| Warner Chilcott Co. LLC, 7.75%, 9/15/18 | 615 | 664,200 |

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| | | | 4,698,478 |
|---|-----|----------------------|--------------|
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Professional Services 0.3% | | | |
| La Financiere Atalian SA, 7.25%, 1/15/20 | EUR | 120 | \$ 156,901 |
| Truven Health Analytics, Inc., 10.63%, 6/01/20 (b) | USD | 510 | 571,200 |
| | | | 728,101 |
| Real Estate Investment Trusts (REITs) 0.7% | | | |
| Cantor Commercial Real Estate Co. LP, 7.75%, 2/15/18 (b) | | 283 | 284,415 |
| Felcor Lodging LP: | | | |
| 6.75%, 6/01/19 | | 1,023 | 1,099,086 |
| 5.63%, 3/01/23 (b) | | 258 | 259,612 |
| The Rouse Co. LP, 6.75%, 11/09/15 | | 520 | 540,800 |
| | | | 2,183,913 |
| Real Estate Management & Development 2.6% | | | |
| CBRE Services, Inc., 6.63%, 10/15/20 | | 335 | 361,800 |
| Country Garden Holdings Co. Ltd., 7.50%, 1/10/23 (b) | | 200 | 207,500 |
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (b) | | 860 | 926,650 |
| Forest City Enterprises, Inc., 7.63%, 6/01/15 | | 426 | 424,935 |
| IVG Immobilien AG, 8.00% (a)(e)(j)(k) | EUR | 300 | 227,166 |
| Mattamy Group Corp., 6.50%, 11/15/20 (b) | USD | 375 | 373,594 |
| Realogy Corp.: | | | |
| 11.50%, 4/15/17 | | 400 | 426,500 |
| 12.00%, 4/15/17 | | 100 | 106,750 |
| 7.88%, 2/15/19 (b) | | 2,065 | 2,245,687 |
| 7.63%, 1/15/20 (b) | | 505 | 569,387 |
| 9.00%, 1/15/20 (b) | | 335 | 384,413 |
| Shea Homes LP, 8.63%, 5/15/19 | | 1,405 | 1,559,550 |
| | | | 7,813,932 |
| Road & Rail 0.5% | | | |
| The Hertz Corp.: | | | |
| 7.50%, 10/15/18 | | 550 | 600,875 |
| 6.75%, 4/15/19 (b) | | 290 | 312,475 |
| 7.38%, 1/15/21 | | 440 | 485,100 |
| Hertz Holdings Netherlands BV, 8.50%, 7/31/15 | EUR | 88 | 122,155 |
| | | | 1,520,605 |
| Semiconductors & Semiconductor Equipment 0.4% | | | |
| Micron Technology, Inc., Series C, 2.38%, 5/01/32 (b)(d) | USD | 261 | 290,526 |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (b) | | 335 | 342,537 |
| Spansion LLC, 7.88%, 11/15/17 | | 580 | 611,900 |
| | | | 1,244,963 |
| Software 1.2% | | | |
| IAC/InterActiveCorp, 4.75%, 12/15/22 (b) | | 421 | 411,527 |
| Igloo Holdings Corp., 8.25%, 12/15/17 (b)(g) | | 295 | 302,375 |
| Infor US, Inc., 9.38%, 4/01/19 | | 1,530 | 1,717,425 |
| Interface Security Systems | | | |
| Holdings, Inc., 9.25%, 1/15/18 (b) | | 149 | 151,608 |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b) | | 500 | 506,250 |
| Sophia LP, 9.75%, 1/15/19 (b) | | 442 | 488,962 |
| | | | 3,578,147 |
| Specialty Retail 3.0% | | | |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 | | 365 | 406,975 |
| Claire's Stores, Inc., 9.00%, 3/15/19 (b) | | 869 | 964,590 |
| House of Fraser Funding Plc: | | | |
| 8.88%, 8/15/18 | GBP | 221 | 355,384 |
| 8.88%, 8/15/18 (b) | | 285 | 458,301 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|-------------|
| Corporate Bonds | | | |
| Specialty Retail (concluded) | | | |
| Limited Brands, Inc.: | | | |
| 8.50%, 6/15/19 | USD | 785 | \$ 961,625 |
| 5.63%, 2/15/22 | | 160 | 169,200 |
| Michaels Stores, Inc., 7.75%, 11/01/18 | | 234 | 255,353 |
| New Academy Finance Co. LLC, 8.00%, 6/15/18 (b)(g) | | 216 | 223,020 |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b) | | 1,013 | 1,101,637 |
| Penske Automotive Group, Inc., 5.75%, 10/01/22 (b) | | 1,110 | 1,161,337 |
| QVC, Inc.: | | | |
| 7.13%, 4/15/17 (b) | | 230 | 239,559 |
| 7.50%, 10/01/19 (b) | | 625 | 689,808 |
| 7.38%, 10/15/20 (b) | | 290 | 321,447 |
| 5.13%, 7/02/22 | | 14 | 14,804 |
| Sally Holdings LLC: | | | |
| 6.88%, 11/15/19 | | 545 | 607,675 |
| 5.75%, 6/01/22 | | 512 | 540,800 |
| Sonic Automotive, Inc., 9.00%, 3/15/18 | | 370 | 407,000 |
| | | | 8,878,515 |
| Textiles, Apparel & Luxury Goods 0.3% | | | |
| Levi Strauss & Co., 6.88%, 5/01/22 | | 440 | 477,950 |
| Phillips-Van Heusen Corp., 4.50%, 12/15/22 | | 253 | 249,521 |
| | | | 727,471 |
| Thrifts & Mortgage Finance 0.0% | | | |
| Radian Group, Inc., 2.25%, 3/01/19 (d) | | 70 | 74,988 |
| Trading Companies & Distributors 0.6% | | | |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (b) | | 490 | 527,975 |
| Doric Nimrod Air Finance Alpha Ltd., Series 2012-1 (b): | | | |
| 6.50%, 5/30/21 | | 575 | 607,865 |
| 5.13%, 11/30/24 | | 635 | 682,625 |
| | | | 1,818,465 |
| Transportation Infrastructure 0.2% | | | |
| Aguila 3 SA, 7.88%, 1/31/18 (b) | | 431 | 456,860 |
| Wireless Telecommunication Services 4.2% | | | |
| Cricket Communications, Inc., 7.75%, 10/15/20 | | 594 | 605,880 |
| Crown Castle International Corp., 5.25%, 1/15/23 (b) | | 1,126 | 1,154,150 |
| Digicel Group Ltd. (b): | | | |
| 8.25%, 9/01/17 | | 1,180 | 1,244,900 |
| 8.25%, 9/30/20 | | 425 | 453,263 |
| 6.00%, 4/15/21 (h) | | 1,100 | 1,097,250 |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20 | | 670 | 700,987 |
| NII Capital Corp., 7.63%, 4/01/21 | | 341 | 238,700 |
| Phones4u Finance Plc: | | | |
| 9.50%, 4/01/18 | GBP | 100 | 156,635 |
| 9.50%, 4/01/18 (b) | | 400 | 626,542 |
| Sprint Capital Corp., 6.88%, 11/15/28 | USD | 1,532 | 1,547,320 |
| Sprint Nextel Corp. (b): | | | |
| 9.00%, 11/15/18 | | 2,405 | 2,982,200 |
| 7.00%, 3/01/20 | | 1,495 | 1,749,150 |
| | | | 12,556,977 |
| Total Corporate Bonds 103.5% | | | 306,346,047 |

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Floating Rate Loan Interests (e)

Airlines 1.1%

| | | |
|--|-------|-----------|
| Delta Air Lines, Inc., Term Loan B, 4.50%, 4/20/17 | 394 | 397,397 |
| Northwest Airlines, Inc., Term Loan: 2.32%, 3/10/17 | 722 | 672,182 |
| 2.32%, 3/10/17 | 1,307 | 1,216,817 |

Floating Rate Loan Interests (e)

Airlines (concluded)

| | Par (000) | Value |
|--|--------------|------------|
| Northwest Airlines, Inc., Term Loan (concluded): 1.70%, 9/10/18 | USD 593 | \$ 529,431 |
| 1.70%, 9/10/18 | 588 | 524,966 |

3,340,793

Auto Components 1.1%

Federal-Mogul Corp.:

| | | |
|---|-------|-----------|
| Term Loan B, 2.14%, 12/29/14 | 1,429 | 1,329,865 |
| Term Loan C, 2.14%, 12/28/15 | 723 | 671,713 |
| Schaeffler AG, Term Loan B2, 6.00%, 1/27/17 | 1,345 | 1,344,664 |

3,346,242

Building Products 0.2%

| | | |
|--|-----|---------|
| Wilsonart International Holdings LLC, Term Loan B, 5.50%, 10/31/19 | 425 | 429,462 |
|--|-----|---------|

Capital Markets 0.6%

| | | |
|--|-----|---------|
| American Capital Holdings, Inc., Term Loan, 5.50%, 8/22/16 | 941 | 950,410 |
| Nuveen Investments, Inc.: | | |
| Incremental Term Loan, 7.25%, 5/13/17 | 480 | 482,400 |
| Second Lien Term Loan, 8.25%, 2/28/19 | 415 | 423,300 |

1,856,110

Chemicals 0.4%

| | | |
|--|--------|---------|
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18 | 382 | 389,874 |
| US Coatings Acquisition, Inc.: | | |
| Term Loan, 4.75%, 2/03/20 | 705 | 713,559 |
| Term Loan B, 5.25%, 2/03/20 | EUR 75 | 98,913 |

1,202,346

Commercial Services & Supplies 0.3%

| | | |
|---|---------|---------|
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16 | USD 430 | 433,554 |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16 | 550 | 553,207 |

986,761

Communications Equipment 1.4%

Alcatel-Lucent:

| | | |
|--|-----------|-----------|
| Term Loan D, 7.75%, 1/31/19 | EUR 550 | 719,948 |
| Term Loan C, 7.25%, 1/31/19 | USD 1,410 | 1,425,510 |
| Avaya, Inc., Term Loan B5, 8.00%, 3/30/18 | 126 | 126,832 |
| Zayo Group LLC, Refinancing, Term Loan B, 5.25%, 7/12/19 | 1,814 | 1,820,150 |

4,092,440

Construction & Engineering 0.7%

| | | |
|--|-------|-----------|
| Safway Services LLC, Mezzanine Loan, 9.88%, 12/16/17 | 2,000 | 2,000,000 |
|--|-------|-----------|

Construction Materials 0.4%

| | | |
|---|-------|-----------|
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17 | 1,109 | 1,112,376 |
|---|-------|-----------|

Consumer Finance 1.4%

| | | |
|---|-------|-----------|
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17 | 4,001 | 4,015,163 |
|---|-------|-----------|

Diversified Consumer Services 0.2%

| | | |
|--|-----|---------|
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18 | 144 | 144,301 |
| ServiceMaster Co., New Term Loan, 4.25%, 4/01/17 | 465 | 463,422 |

607,723

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests (e) | | |
| Diversified Telecommunication Services 0.8% | | |
| Level 3 Financing, Inc.: | | |
| 2016 Term Loan B, 4.75%, 2/01/16 | USD 329 | \$ 332,878 |
| 2019 Term Loan B, 5.25%, 8/01/19 | 270 | 272,757 |
| Term Loan, 4.75%, 8/01/19 | 1,750 | 1,764,000 |
| | | 2,369,635 |
| Energy Equipment & Services 1.6% | | |
| Dynergy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16 | 1,722 | 1,777,782 |
| Dynergy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16 | 2,780 | 2,890,828 |
| Tervita Corp., Incremental Term Loan, 6.25%, 5/01/18 | 145 | 145,748 |
| | | 4,814,358 |
| Food & Staples Retailing 0.0% | | |
| Rite Aid Corp., Second Lien Term Loan, 5.75%, 7/07/20 | 110 | 112,506 |
| Food Products 0.1% | | |
| Advance Pierre Foods, Inc., Term Loan, 5.75%, 7/10/17 | 215 | 217,621 |
| Health Care Equipment & Supplies 0.5% | | |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19 | 383 | 385,676 |
| Capital Safety North America, Term Loan, 4.50%, 1/21/19 | 759 | 759,263 |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18 | 284 | 289,955 |
| | | 1,434,894 |
| Health Care Providers & Services 0.4% | | |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 9/25/17 | 190 | 185,770 |
| Harden Healthcare LLC: | | |
| Add on Term Loan A, 7.75%, 3/02/15 | 360 | 352,446 |
| Term Loan A, 8.50%, 3/02/15 | 341 | 338,233 |
| inVentiv Health, Inc., Combined Term Loan, 7.50%, 8/04/16 | 368 | 362,169 |
| | | 1,238,618 |
| Hotels, Restaurants & Leisure 3.2% | | |
| Caesars Entertainment Operating Co., Inc.: | | |
| Term Loan B1, 3.20%, 1/28/15 | 514 | 512,002 |
| Term Loan B3, 3.20% 3.31%, 1/28/15 | 26 | 26,096 |
| Harrah's Property Co., Mezzanine Term Loan, 3.69%, 2/13/14 | 5,863 | 5,394,328 |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19 | 1,250 | 1,264,375 |
| Station Casinos, Inc., Term Loan B: | | |
| 5.50%, 9/27/19 | 1,032 | 1,038,431 |
| 5.00%, 2/13/20 | 1,005 | 1,013,375 |
| Travelport Holdings Ltd.: | | |
| Extended Tranche A Term Loan, 6.40%, 12/01/16 | 199 | 70,410 |
| Extended Tranche B Term Loan, 13.80%, 12/01/16 | 667 | 62,257 |
| | | 9,381,274 |
| Industrial Conglomerates 0.2% | | |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17 | 582 | 588,322 |
| Insurance 0.1% | | |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19 | 340 | 342,550 |
| IT Services 0.3% | | |
| Ceridian Corp., Extended Term Loan, 5.95%, 5/09/17 | 68 | 68,883 |
| | Par (000) | Value |
| Floating Rate Loan Interests (e) | | |
| IT Services (concluded) | | |
| First Data Corp., Extended 2018 Term Loan B, 4.20%, 3/23/18 | USD 785 | \$ 775,109 |

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| | | |
|--|-------------|------------|
| | | 843,992 |
| Leisure Equipment & Products | 0.1% | |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13 | 240 | 240,022 |
| Life Sciences Tools & Services | 0.1% | |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18 | 204 | 206,788 |
| Machinery | 0.7% | |
| Rexnord Corp., Term Loan B, 4.50%, 4/02/18 | 589 | 592,737 |
| Silver II US Holdings LLC, Term Loan, 5.00%, 12/05/19 | 1,550 | 1,550,000 |
| | | 2,142,737 |
| Media | 3.7% | |
| Cengage Learning Acquisitions, Inc.: | | |
| Non-Extended Term Loan, 2.71%, 7/03/14 | 322 | 251,656 |
| Tranche 1 Incremental, 7.50%, 7/03/14 | 1,606 | 1,276,969 |
| Cequel Communications LLC, Term Loan B, 4.00%, 2/14/19 | 287 | 288,337 |
| Clear Channel Communications, Inc.: | | |
| Term Loan B, 3.85%, 1/29/16 | 1,327 | 1,134,895 |
| Term Loan C, 3.85%, 1/29/16 | 397 | 334,970 |
| EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18 | 433 | 437,478 |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19 | 412 | 415,218 |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.50%, 4/02/18 | 5,447 | 5,497,821 |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18 | 409 | 409,548 |
| Univision Communications, Inc., Extended Term Loan, 4.45%, 3/31/17 | 268 | 268,069 |
| Virgin Media Investment Holdings, Term Loan B, 3.50%, 2/17/20 | 760 | 755,463 |
| | | 11,070,424 |
| Metals & Mining | 0.9% | |
| Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18 | 428 | 436,407 |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17 | 2,274 | 2,301,546 |
| | | 2,737,953 |
| Oil, Gas & Consumable Fuels | 1.5% | |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17 | 2,225 | 2,271,124 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | 841 | 849,398 |
| Samson Investment Co., Second Lien Term Loan, 6.00%, 9/25/18 | 235 | 237,205 |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17 | 973 | 977,551 |
| | | 4,335,278 |
| Pharmaceuticals | 0.7% | |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17 | 980 | 981,960 |
| Par Pharmaceutical, Term Loan B, 4.25%, 9/28/19 | 728 | 727,265 |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | 312 | 313,343 |
| | | 2,022,568 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|----------------------|-------------------|
| Floating Rate Loan Interests (e) | | |
| Professional Services 0.1% | | |
| Truven Health Analytics, Inc., Term Loan B, 5.75%, 6/01/19 | USD 373 | \$ 376,625 |
| Real Estate Investment Trusts (REITs) 0.3% | | |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17 | 750 | 750,395 |
| Real Estate Management & Development 0.3% | | |
| Realogy Corp.: | | |
| Extended Letter of Credit Loan, 4.46%, 10/10/16 | 93 | 93,070 |
| Extended Term Loan, 4.42%, 10/10/16 | 737 | 736,330 |
| | | 829,400 |
| Road & Rail 0.1% | | |
| Genesee & Wyoming, Inc., Term Loan A, 2.70%, 9/29/17 | 287 | 287,396 |
| Semiconductors & Semiconductor Equipment 0.1% | | |
| Freescale Semiconductor, Inc., Extended Term Loan B, 4.45%, 12/01/16 | 300 | 300,000 |
| Software 0.6% | | |
| GCA Services Group, Inc., Second Lien Term Loan, 9.25%, 10/22/20 | 60 | 59,400 |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18 | 1,229 | 1,242,141 |
| Kronos, Inc., Second Lien Term Loan, 9.75%, 4/30/20 | 515 | 535,600 |
| | | 1,837,141 |
| Specialty Retail 0.2% | | |
| David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19 | 545 | 550,586 |
| Textiles, Apparel & Luxury Goods 0.5% | | |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18 | 1,131 | 1,142,764 |
| Phillips-Van Heusen Corp., Term Loan B, 3.25%, 12/19/19 | 440 | 443,529 |
| | | 1,586,293 |
| Thrifts & Mortgage Finance 0.2% | | |
| Ocwen Financial Corp., Term Loan, 5.00%, 1/22/18 | 610 | 617,369 |
| Wireless Telecommunication Services 1.1% | | |
| Vodafone Americas Finance 2, Inc. (g): | | |
| Term Loan, 6.88%, 8/11/15 | 1,938 | 1,976,937 |
| Term Loan B, 6.25%, 7/11/16 | 1,341 | 1,377,492 |
| | | 3,354,429 |
| Total Floating Rate Loan Interests 26.2% | | 77,578,590 |

| | Beneficial Interest (000) | |
|--|--|---------------|
| Other Interests (l) | | |
| Auto Components 0.0% | | |
| Lear Corp. Escrow | 460 | 11,500 |
| Chemicals 0.0% | | |
| Wellman Holdings, Inc., Litigation Trust Certificate (a) | 2,830 | 28 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets, Inc. (a) | 575 | 6 |
| Media 0.0% | | |
| Adelphia Escrow (a) | 750 | 8 |
| Adelphia Recovery Trust (a) | 941 | 94 |
| | | 102 |
| Total Other Interests 0.0% | | 11,636 |

| Preferred Securities | Shares | Value |
|-----------------------------|---------------|--------------|
|-----------------------------|---------------|--------------|

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Preferred Stocks

| | | | |
|--|-------------|--------|--------------|
| Auto Components | 1.0% | | |
| Dana Holding Corp., 4.00% (b)(d) | | 20,190 | \$ 2,864,456 |
| Real Estate Investment Trusts (REITs) | 0.1% | | |
| MPG Office Trust, Inc., Series A, 7.63% (a) | | 8,994 | 204,614 |
| Thriffs & Mortgage Finance | 0.0% | | |
| Fannie Mae, Series O, 8.00% | | 30,000 | 115,500 |
| Total Preferred Stocks | 1.1% | | 3,184,570 |

Trust Preferreds

| | | | |
|--|-------------|---------|-----------|
| Diversified Financial Services | 1.1% | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (e) | | 128,310 | 3,393,764 |
| Total Preferred Securities | 2.2% | | 6,578,334 |

Warrants (m)

| | | | |
|--|-------------|-----------|-------------|
| Containers & Packaging | 0.0% | | |
| MDP Acquisitions Plc (Issued/exercisable 12/31/02, 3 Shares for 1 warrant, expires 10/10/13, Strike Price EUR 0.001) | | 700 | 56,611 |
| Health Care Providers & Services | 0.0% | | |
| HealthSouth Corp. (Expires 1/16/14) | | 32,042 | |
| Media | 0.0% | | |
| New Vision Holdings LLC (Expires 9/30/14) | | 22,447 | 41,520 |
| Metals & Mining | 0.1% | | |
| Peninsula Minerals Ltd. (Expires 12/31/15) | | 3,966,632 | 60,776 |
| Real Estate Investment Trusts (REITs) | 0.0% | | |
| Peninsula Energy Ltd. (Expires 12/31/15) | | 2,343,076 | 33,985 |
| Software | 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/28/17) | | 334 | |
| HMH Holdings/EduMedia (Issued/exercisable 3/09/10, 19 Shares for 1 warrant, expires 6/22/19, Strike Price \$42.27) | | 1,164 | |
| Total Warrants | 0.1% | | 192,892 |
| Total Long-Term Investments | | | |
| (Cost \$405,926,537) 141.2% | | | 418,083,475 |

Short-Term Securities

| | | | |
|--|--|-----------|-----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (n)(o) | | 2,103,451 | 2,103,451 |
| Total Short-Term Securities | | | |
| (Cost \$2,103,451) 0.7% | | | 2,103,451 |

Options Purchased

| | | | |
|---|--|--|-------------|
| (Cost \$28,657) (0.0)% | | | 2,140 |
| Total Investments Before Options Written | | | |
| (Cost \$408,058,645) 141.9% | | | 420,189,066 |

Options Written

| | | | |
|--|----------------|--|---------------|
| (Premiums Received \$106,920) (0.0)% | | | (54,924) |
| Total Investments, Net of Options Written | 141.9% | | 420,134,142 |
| Liabilities in Excess of Other Assets | (41.9)% | | (124,126,432) |

| | | | |
|-------------------|---------------|--|----------------|
| Net Assets | 100.0% | | \$ 296,007,710 |
|-------------------|---------------|--|----------------|

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)****Notes to Consolidated Schedule of Investments**

- (a) Non-income producing security.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) All or a portion of security has been pledged as collateral in connection with swaps.
- (d) Convertible security.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (h) When-issued security. Unsettled when-issued transactions were as follows:
- | Counterparty | Value | Unrealized
Appreciation
(Depreciation) |
|-----------------------|--------------|---|
| Bank of America Corp. | \$ 695,640 | \$ 10,662 |
| Citigroup, Inc. | \$ 1,097,250 | \$ (2,750) |
| Pershing LLC | \$ 668,100 | \$ 8,856 |
- (i) 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.
- (j) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (k) Security is perpetual in nature and has no stated maturity date.
- (l) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

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(m) 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 of the warrants, if any.

(n) Investments in issuers considered to be an affiliate of the Fund during the year ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held | Net Activity | Shares Held | Income |
|--|----------------------|--------------|----------------------|----------|
| | at February 29, 2012 | | at February 28, 2013 | |
| BlackRock Liquidity Funds, TempFund, Institutional Class | | 2,103,451 | 2,103,451 | \$ 1,034 |

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

Financial futures contracts as of February 28, 2013 were as follows:

Contracts

| Sold | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|------|----------------------|--------------------|------------|----------------|-------------------------|
| (50) | S&P 500 E-Mini Index | Chicago Mercantile | March 2013 | USD 3,783,250 | \$ (63,559) |

Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|--------------------|----------------|----------------------------------|-----------------|-------------------------|
| USD 525,814 | AUD 507,000 | Citigroup, Inc. | 4/17/13 | \$ 9,666 |
| USD 4,348,311 | CAD 4,290,000 | Deutsche Bank AG | 4/17/13 | 192,612 |
| USD 1,655,392 | GBP 1,070,000 | Barclays Plc | 4/17/13 | 32,527 |
| USD 142,506 | GBP 92,000 | BNP Paribas SA | 4/17/13 | 2,970 |
| USD 6,375,642 | GBP 3,980,000 | Goldman Sachs Group, Inc. | 4/17/13 | 339,193 |
| USD 206,130 | GBP 130,000 | Royal Bank of Scotland Group Plc | 4/17/13 | 8,960 |
| USD 115,580 | EUR 87,000 | BNP Paribas SA | 4/23/13 | 1,955 |
| USD 21,048,768 | EUR 15,796,000 | Citigroup, Inc. | 4/23/13 | 418,726 |
| USD 132,524 | EUR 99,471 | Deutsche Bank AG | 4/23/13 | 2,612 |
| USD 291,810 | EUR 219,000 | Goldman Sachs Group, Inc. | 4/23/13 | 5,789 |
| USD 134,959 | EUR 100,000 | Royal Bank of Scotland Group Plc | 4/23/13 | 4,356 |
| USD 88,843 | EUR 66,000 | UBS AG | 4/23/13 | 2,645 |
| Total | | | | \$ 1,022,011 |

Exchange-traded options purchased as of February 28, 2013 were as follows:

| Description | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|-------------------------|----------|--------------|-----------------|-----------|--------------|
| Life Technologies Corp. | Call | USD 70.00 | 3/16/13 | 107 | \$ 2,140 |

See Notes to Consolidated Financial Statements.

Table of Contents

Consolidated Schedule of Investments (continued)

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

Over-the-counter options purchased as of February 28, 2013 were as follows:

| Description | Counterparty | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------------------|---------------------------|----------|--------------|-----------------|-----------|--------------|
| Marsico Parent Superholdco LLC | Goldman Sachs Group, Inc. | Call | USD 942.86 | 12/14/19 | 19 | |

Over-the-counter credit default swaptions written as of February 28, 2013 were as follows:

| Description | Counterparty | Put/Call | Strike Price | Pay/Receive Floating Rate Index | Floating Rate Index | Credit Rating ¹ | Expiration Date | Notional Amount (000) ² | Market Value |
|---|------------------------|----------|--------------|---------------------------------|--|----------------------------|-----------------|------------------------------------|--------------|
| Sold Protection on 5-Year Credit Default Swap | Credit Suisse Group AG | Call | USD 103.50 | Receive | Dow Jones CDX North America High Yield, Series 19, Version 1 | B+ | 6/19/13 | USD 4,400 | \$ (23,777) |
| Sold Protection on 5-Year Credit Default Swap | Credit Suisse Group AG | Put | USD 97.50 | Pay | Dow Jones CDX North America High Yield, Series 19, Version 1 | B+ | 6/19/13 | USD 4,400 | (31,147) |
| Total | | | | | | | | | \$ (54,924) |

Credit default swaps buy protection outstanding as of February 28, 2013 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|------------------------|----------------|----------------------|-----------------|-----------------------|-------------------------|
| Israel (State of) | 1.00% | Deutsche Bank AG | 3/20/17 | USD 675 | \$ (26,589) |
| Israel (State of) | 1.00% | Deutsche Bank AG | 3/20/17 | USD 225 | (8,729) |
| Beazer Homes USA, Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/17 | USD 75 | (1,232) |
| Total | | | | | \$ (36,550) |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ³ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|---|--------------------|---------------------------|-----------------|----------------------------|------------------------------------|--|
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 274 | \$ 46,107 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 76 | 9,233 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 304 | 34,127 |
| ARAMARK Corp. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | B- | USD 500 | 40,144 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 110 | 8,530 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD 110 | 8,530 |

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| | | | | | | | |
|---|-------|---------------------------|---------|-----|-----|-------|-------------------|
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 324 | 20,903 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 76 | 3,858 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 367 | 360 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 3/20/16 | CCC | USD | 44 | 1,596 |
| ARAMARK Corp. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | B- | USD | 300 | 25,738 |
| ARAMARK Corp. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | B- | USD | 300 | 24,289 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 225 | 13,278 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 430 | 21,359 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 767 | 41,178 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 124 | 548 |
| ARAMARK Corp. | 5.00% | Credit Suisse AG | 9/20/16 | B- | USD | 125 | 13,964 |
| ARAMARK Corp. | 5.00% | Deutsche Bank AG | 3/20/17 | B- | USD | 200 | 14,641 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 202 | (1,539) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 242 | 7,611 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 141 | 1,753 |
| Crown Castle International Corp. | 7.25% | Deutsche Bank AG | 3/20/17 | B- | USD | 470 | 81,354 |
| CCO Holdings LLC | 8.00% | Deutsche Bank AG | 9/20/17 | BB- | USD | 1,600 | 386,852 |
| Level 3 Communications, Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/19 | CCC | USD | 1,000 | 78,182 |
| Total | | | | | | | \$ 882,596 |

¹ Using the S&P's rating of the underlying securities of the index.

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

³ Using S&P's rating of the issuer.

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

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 rating group indexes, and/or as defined by Fund management. 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 as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund 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 Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

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

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

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|---------------------|----------------------|---------------------|----------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Common Stocks | \$20,613,083 | \$ 1,649,188 | \$ 5,113,705 | \$ 27,375,976 |
| Corporate Bonds | | 301,977,189 | 4,368,858 | 306,346,047 |
| Floating Rate Loan Interests | | 62,802,735 | 14,775,855 | 77,578,590 |
| Other Interests | 94 | | 11,542 | 11,636 |
| Preferred Securities | 3,713,878 | 2,864,456 | | 6,578,334 |
| Warrants | 60,776 | 56,611 | 75,505 | 192,892 |
| Short-Term Securities | 2,103,451 | | | 2,103,451 |
| Options Purchased: | | | | |
| Equity Contracts | 2,140 | | | 2,140 |
| Total | \$26,493,422 | \$369,350,179 | \$24,345,465 | \$420,189,066 |

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| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------|--------------|---------|--------------|
| Derivative Financial Instruments¹ | | | | |
| Assets: | | | | |
| Credit contracts | | \$ 884,135 | | \$ 884,135 |
| Foreign currency exchange contracts | | 1,022,011 | | 1,022,011 |
| Liabilities: | | | | |
| Credit contracts | | (93,013) | | (93,013) |
| Equity contracts | \$ (63,559) | | | (63,559) |
| Total | \$ (63,559) | \$ 1,813,133 | | \$ 1,749,574 |

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

See Notes to Consolidated Financial Statements.

Table of Contents
Consolidated Schedule of Investments (continued)
BlackRock Corporate High Yield Fund III, Inc. (CYE)

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------------|------------------------|---------|------------------------|
| Assets: | | | | |
| Cash | \$1,722,765 | | | \$ 1,722,765 |
| Foreign currency at value | 1,907 | | | 1,907 |
| Cash pledged as collateral for financial futures contracts | 252,000 | | | 252,000 |
| Cash pledged as collateral for swaps | 100,000 | | | 100,000 |
| Liabilities: | | | | |
| Loan payable | | \$(117,000,000) | | (117,000,000) |
| Cash received as collateral for swaps | | (500,000) | | (500,000) |
| Total | \$2,076,672 | \$(117,500,000) | | \$(115,423,328) |

There were no transfers between Level 1 and Level 2 during the year ended February 28, 2013.

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

| | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Securities | Warrants | Total |
|---|---------------------|---------------------|------------------------------------|--------------------|-------------------------|------------------|----------------------|
| Assets/Liabilities: | | | | | | | |
| Opening Balance, as of February 29, 2012 | \$ 4,322,217 | \$ 4,458,734 | \$ 9,295,244 | \$ 4,642 | \$ 352,582 | \$ 1 | \$ 18,433,420 |
| Transfers into Level 3 ¹ | 354 | 1,247,175 | 485,114 | | | | 1,732,643 |
| Transfers out of Level 3 ¹ | | | (219,218) | | | | (219,218) |
| Accrued discounts/premiums | | (7,558) | 86,762 | | | | 79,204 |
| Net realized gain (loss) | (937,908) | 6,959 | (547,172) | | (87,104) | (177,871) | (1,743,096) |
| Net change in unrealized appreciation/depreciation ² | 1,065,269 | (1,329,869) | 1,206,125 | 6,900 | 110,561 | 253,375 | 1,312,361 |
| Purchases | 663,785 | 2,602,362 | 7,440,914 | | | | 10,707,061 |
| Sales | (12) | (2,608,945) | (2,971,914) | | (376,039) | | (5,956,910) |
| Closing Balance, as of February 28, 2013 | \$ 5,113,705 | \$ 4,368,858 | \$ 14,775,855 | \$ 11,542 | | \$ 75,505 | \$ 24,345,465 |

¹ Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

² Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of February 28, 2013 was \$(852,956).
The following table is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

**Credit
Contracts**

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| Assets/Liabilities: | |
|---|------------|
| Opening Balance, as of February 29, 2012 | \$ 237,861 |
| Transfers into Level 3 ³ | |
| Transfers out of Level 3 ³ | (10,105) |
| Accrued discounts/premiums | |
| Net realized gain (loss) | |
| Net change in unrealized appreciation/depreciation ⁴ | (227,756) |
| Purchases | |
| Issues ⁵ | |
| Sales | |
| Settlements ⁶ | |

Closing Balance, as of February 28, 2013

³ Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

⁴ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations.

⁵ Issues represent upfront cash received on certain derivative financial instruments.

⁶ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (concluded)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$13,595,149.

| | Value | Valuation Techniques | Unobservable Inputs ¹ | Range of Unobservable Inputs Utilized |
|------------------------------|----------------------|--------------------------------|--------------------------------------|---------------------------------------|
| Assets: | | | | |
| Common Stocks | \$ 4,184,095 | Market Comparable Companies | EBITDA Multiple | 6.56x |
| | 225,035 | Restructure terms ³ | Enterprise Value/Oil Barrel Multiple | CAD ² 0.44x |
| | | | N/A | |
| Corporate Bonds | 1,121,631 | Market Comparable Companies | Yield | 12.10% |
| | 639,846 | Discounted Cash Flow | Yield | 12% |
| | 425 | Estimated Final Distribution | Recovery Rate | 0.05% |
| | 1,813,100 | Cost ⁴ | N/A | |
| Floating Rate Loan Interests | 690,679 | Discounted Cash Flow | Yield | 9.50% |
| | 2,000,000 | Cost ⁴ | N/A | |
| Warrants | 41,520 | Discounted Vendor Price | Distribution Rate | 0.51639 |
| | 33,985 | Black-Scholes | Implied Volatility | 90% |
| Total | \$ 10,750,316 | | | |

¹ A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------------------------|------------------------------------|------------------------------------|
| EBITDA Multiple | Increase | Decrease |
| Enterprise Value/Oil Barrel Multiple | Increase | Decrease |
| Yield | Decrease | Increase |
| Recovery Rate | Increase | Decrease |
| Distribution Rate | Decrease | Increase |
| Implied Volatility | Increase | Decrease |

² Canadian Dollar.

³ Investment is valued based on the company's financial restructuring plan.

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

See Notes to Consolidated Financial Statements.

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ANNUAL REPORT

FEBRUARY 28, 2013

Table of Contents**Consolidated Schedule of Investments** February 28, 2013**BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

| Asset-Backed Securities | Par (000) | Value |
|---|----------------------|-------------------|
| ACAS CLO Ltd. (a)(b): | | |
| Series 2012-1A, Class D, 5.58%, 9/20/23 | USD 1,000 | \$ 1,005,000 |
| Series 2013-1A, Class D, 1.00%, 4/20/25 (c) | 500 | 477,500 |
| Anchorage Capital CLO Ltd., Series 2012-1A, Class B, 3.16%, 1/13/25 (a)(b) | 1,500 | 1,438,350 |
| Apidos CDO, Series 2012-11A, Class D, 4.74%, 1/17/23 (a)(b) | 550 | 550,825 |
| Atrium CDO Corp., Series 9A, Class D, 3.96%, 2/28/24 (a)(b) | 750 | 725,250 |
| Carlyle Global Market Strategies, Series 2013-1A, Class C, 4.00%, 2/14/25 (a)(b) | 250 | 250,000 |
| Carlyle Global Market Strategies CLO Ltd., Series 2012-4A, Class D, 4.89%, 1/20/25 (a)(b) | 600 | 600,900 |
| Cavalry CLO Ltd., Series 2A, Class D, 4.38%, 1/17/24 (a)(b) | 500 | 486,750 |
| CFIP CLO Ltd., Series 2013-1A, Class D, 4.04%, 4/20/24 (a)(b) | 1,000 | 949,500 |
| CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16 (b) | 625 | 630,125 |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.30%, 4/20/23 (a)(b) | 765 | 764,992 |
| Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.50%, 4/17/22 (a)(b) | 1,250 | 1,242,875 |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.71%, 9/20/22 (a)(b) | 1,200 | 1,207,200 |
| ING Investment Management (a)(b): | | |
| Series 2012-2A, Class D, 4.85%, 10/15/22 | 1,275 | 1,278,187 |
| Series 2012-4A, Class C, 4.73%, 10/15/23 | 600 | 604,992 |
| LCM IX LP, Series 9A, Class E, 4.51%, 7/14/22 (a)(b) | 1,000 | 889,900 |
| LCM XI LP, Series 11A, Class D2, 4.25%, 4/19/22 (a)(b) | 1,300 | 1,287,000 |
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C, 4.56%, 1/15/24 (a)(b) | 750 | 727,500 |
| OZLM Funding Ltd. (a)(b): | | |
| Series 2012-2A, Class C, 5.08%, 10/30/23 | 500 | 504,650 |
| Series 2013-3A, Class C, 4.15%, 1/22/25 | 500 | 488,850 |
| Symphony CLO IX LP, Series 2012-9A, Class D, 4.55%, 4/16/22 (a)(b) | 1,075 | 1,068,228 |
| Symphony CLO X Ltd., Series 2012-10A, Class D, 5.55%, 7/23/23 (a)(b) | 1,200 | 1,215,000 |
| West CLO Ltd., Series 2012-1A, Class C, 5.05%, 10/30/23 (a)(b) | 1,145 | 1,159,782 |
| Total Asset-Backed Securities 4.1% | | 19,553,356 |

| Common Stocks (d) | Shares | Value |
|---|---------------|--------------|
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. | 339,340 | 222,268 |
| Containers & Packaging 0.1% | | |
| Smurfit Kappa Plc | 36,342 | 563,629 |
| Diversified Financial Services 1.1% | | |
| Kcad Holdings I Ltd. | 756,012,055 | 5,103,081 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. | 286,757 | 3 |
| Hotels, Restaurants & Leisure 0.0% | | |
| HRP PIK Corp., Class B | 5,000 | |
| Metals & Mining 0.1% | | |
| Euramax International | 2,337 | 484,990 |

| Common Stocks (d) | Shares | Value |
|--|---------------|--------------|
| Paper & Forest Products 1.3% | | |
| Ainsworth Lumber Co. Ltd. | 1,545,197 | \$ 4,899,679 |
| NewPage Corp. | 9,120 | 775,200 |
| Western Forest Products, Inc. (b) | 211,149 | 255,938 |
| | | 5,930,817 |
| Semiconductors & Semiconductor Equipment 0.0% | | |
| SunPower Corp. | 1,707 | 20,040 |
| Software 0.2% | | |

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| | | |
|---------------------------------------|---------|------------|
| Bankruptcy Management Solutions, Inc. | 1,870 | 19 |
| HMH Holdings/EduMedia | 52,041 | 954,073 |
| | | 954,092 |
| Specialty Retail 0.0% | | |
| Movie Gallery, Inc. | 503,737 | 5 |
| Total Common Stocks 2.8% | | 13,278,925 |

| | Par (000) | |
|--|----------------------|-----------|
| Corporate Bonds | | |
| Aerospace & Defense 1.0% | | |
| Bombardier, Inc., 4.25%, 1/15/16 (b) | USD 980 | 1,016,750 |
| DigitalGlobe, Inc., 5.25%, 2/01/21 (b) | 831 | 824,767 |
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21 | 715 | 779,350 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 1,364 | 1,505,515 |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b) | 405 | 416,170 |
| | | 4,542,552 |

| | | |
|---|-------|-----------|
| Airlines 0.4% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 381 | 395,983 |
| Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18 | 1,485 | 1,481,288 |
| Delta Air Lines Pass-Through Trust, Series 2009-1, Class B, 9.75%, 2/17/16 | 170 | 188,214 |
| | | 2,065,485 |

| | | |
|---|---------|-----------|
| Auto Components 1.5% | | |
| Continental Rubber of America Corp., 4.50%, 9/15/19 (b) | 150 | 153,000 |
| Delphi Corp., 6.13%, 5/15/21 | 250 | 272,500 |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 220 | 229,075 |
| 8.00%, 1/15/18 | 4,035 | 4,322,494 |
| Jaguar Land Rover Automotive Plc (FKA Jaguar Land Rover Plc): | | |
| 8.25%, 3/15/20 | GBP 392 | 666,759 |
| 5.63%, 2/01/23 (b) | USD 425 | 434,563 |
| Titan International, Inc., 7.88%, 10/01/17 | 940 | 1,008,150 |
| Venture Holdings Co. LLC (d)(e): | | |
| 12.00%, 7/01/49 | 4,450 | |
| Series B, 9.50%, 7/01/05 | 1,800 | |
| | | 7,086,541 |

| | | |
|-----------------------------------|--------|-----------|
| Beverages 0.2% | | |
| Constellation Brands, Inc.: | | |
| 7.25%, 5/15/17 | 57 | 64,624 |
| 6.00%, 5/01/22 | 323 | 352,878 |
| Crown European Holdings SA: | | |
| 7.13%, 8/15/18 | EUR 52 | 73,489 |
| 7.13%, 8/15/18 (b) | 244 | 344,835 |
| Refresco Group BV, 7.38%, 5/15/18 | 213 | 290,679 |
| | | 1,126,505 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| Building Products 0.7% | | |
| Building Materials Corp. of America (b): | | |
| 7.00%, 2/15/20 | USD 1,000 | \$ 1,082,500 |
| 6.75%, 5/01/21 | 590 | 633,512 |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20 | 375 | 384,844 |
| USG Corp., 9.75%, 1/15/18 | 980 | 1,152,725 |
| | | 3,253,581 |
| Capital Markets 0.3% | | |
| E*Trade Financial Corp., 0.01%, 8/31/19 (b)(f)(g) | 593 | 620,056 |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b) | 365 | 429,231 |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (b) | 302 | 303,510 |
| | | 1,352,797 |
| Chemicals 4.2% | | |
| Ashland, Inc., 3.88%, 4/15/18 (b) | 475 | 482,125 |
| Axiall Corp., 4.88%, 5/15/23 (b) | 282 | 286,230 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 1,104 | 1,206,120 |
| Ciech Group Financing AB, 9.50%, 11/30/19 | EUR 130 | 184,996 |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (b) | USD 598 | 607,717 |
| GEO Specialty Chemicals, Inc., 7.50%, 3/31/15 (b)(g)(h) | 4,171 | 7,132,046 |
| Huntsman International LLC: | | |
| 4.88%, 11/15/20 | 803 | 794,970 |
| 4.88%, 11/15/20 | 455 | 448,175 |
| 8.63%, 3/15/21 | 735 | 830,550 |
| INEOS Finance Plc, 7.50%, 5/01/20 (b) | 295 | 317,863 |
| LyondellBasell Industries NV: | | |
| 5.00%, 4/15/19 | 562 | 626,630 |
| 6.00%, 11/15/21 | 368 | 432,400 |
| 5.75%, 4/15/24 | 1,775 | 2,063,437 |
| NOVA Chemicals Corp., 8.63%, 11/01/19 | 570 | 646,950 |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (b) | 225 | 238,500 |
| Orion Engineered Carbons Bondco GmbH, 9.63%, 6/15/18 (b) | 800 | 880,000 |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 | 940 | 972,900 |
| Tronox Finance LLC, 6.38%, 8/15/20 (b) | 1,569 | 1,559,194 |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV, 5.75%, 2/01/21 | EUR 100 | 133,166 |
| | | 19,843,969 |
| Commercial Banks 0.6% | | |
| CIT Group, Inc.: | | |
| 5.00%, 5/15/17 | USD 620 | 659,525 |
| 6.63%, 4/01/18 (b) | 160 | 181,600 |
| 5.50%, 2/15/19 (b) | 1,430 | 1,555,125 |
| 5.00%, 8/15/22 | 390 | 417,300 |
| | | 2,813,550 |
| Commercial Services & Supplies 1.7% | | |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (b) | 206 | 221,450 |
| ARAMARK Holdings Corp. (b): | | |
| 8.63%, 5/01/16 (h) | 625 | 637,506 |
| 5.75%, 3/15/20 (c) | 1,052 | 1,073,040 |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b) | 714 | 749,986 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | 55 | 59,125 |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18 (b) | 265 | 268,313 |
| Clean Harbors, Inc., 5.25%, 8/01/20 | 427 | 439,810 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 800 | 867,468 |

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| | | | |
|--|-----|--------------|--------------|
| EC Finance Plc, 9.75%, 8/01/17 | EUR | 60 | 85,187 |
| The Geo Group, Inc., 7.75%, 10/15/17 | USD | 850 | 911,625 |
| HDTFS, Inc. (b): | | | |
| 5.88%, 10/15/20 | | 305 | 317,200 |
| 6.25%, 10/15/22 | | 425 | 456,875 |
| | | Par | Value |
| | | (000) | |
| Corporate Bonds | | | |
| Commercial Services & Supplies (concluded) | | | |
| Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (b) | USD | 212 | \$ 224,455 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | | 640 | 712,000 |
| Verisure Holding AB: | | | |
| 8.75%, 9/01/18 | EUR | 290 | 408,898 |
| 8.75%, 12/01/18 | | 149 | 198,417 |
| West Corp., 8.63%, 10/01/18 | USD | 315 | 335,475 |
| | | | 7,966,830 |
| Communications Equipment 0.6% | | | |
| Avaya, Inc.: | | | |
| 9.75%, 11/01/15 | | 288 | 283,320 |
| 7.00%, 4/01/19 (b) | | 485 | 463,175 |
| Zayo Group LLC/Zayo Capital, Inc.: | | | |
| 8.13%, 1/01/20 | | 1,000 | 1,117,500 |
| 10.13%, 7/01/20 | | 1,020 | 1,195,950 |
| | | | 3,059,945 |
| Construction Materials 1.0% | | | |
| Buzzi Unicem SpA, 6.25%, 9/28/18 | EUR | 106 | 148,864 |
| HD Supply, Inc. (b): | | | |
| 8.13%, 4/15/19 (i) | USD | 2,080 | 2,342,600 |
| 7.50%, 7/15/20 | | 1,860 | 1,862,325 |
| 11.50%, 7/15/20 | | 340 | 391,850 |
| HeidelbergCement AG, 7.50%, 4/03/20 | EUR | 46 | 72,367 |
| | | | 4,818,006 |
| Consumer Finance 0.1% | | | |
| Ford Motor Credit Co. LLC: | | | |
| 7.00%, 4/15/15 | USD | 280 | 309,505 |
| 6.63%, 8/15/17 | | 148 | 172,834 |
| | | | 482,339 |
| Containers & Packaging 1.4% | | | |
| Ardagh Packaging Finance Plc: | | | |
| 7.38%, 10/15/17 | EUR | 100 | 141,652 |
| 7.38%, 10/15/17 | | 100 | 141,652 |
| 7.38%, 10/15/17 (b) | | 385 | 545,361 |
| 7.38%, 10/15/17 (b) | USD | 873 | 950,479 |
| 9.13%, 10/15/20 (b) | | 300 | 327,000 |
| Ball Corp., 6.75%, 9/15/20 | | 625 | 689,062 |
| Berry Plastics Corp.: | | | |
| 4.18%, 9/15/14 (a) | | 495 | 495,000 |
| 8.25%, 11/15/15 | | 655 | 682,641 |
| 9.75%, 1/15/21 | | 210 | 242,550 |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR | 1,243 | 1,627,180 |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | USD | 69 | 75,210 |
| Crown Americas LLC/Crown Americas Capital Corp. IV, 4.50%, 1/15/23 (b) | | 752 | 735,080 |
| | | | 6,652,867 |
| Distributors 0.1% | | | |
| VWR Funding, Inc., 7.25%, 9/15/17 (b) | | 615 | 647,288 |
| Diversified Consumer Services 0.5% | | | |
| 313 Group, Inc. (b): | | | |
| 6.38%, 12/01/19 | | 403 | 392,925 |
| 8.75%, 12/01/20 | | 880 | 869,000 |
| Laureate Education, Inc., 9.25%, 9/01/19 (b) | | 1,025 | 1,114,688 |
| ServiceMaster Co., 8.00%, 2/15/20 | | 235 | 249,100 |
| | | | 2,625,713 |

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| | | | |
|---------------------------------------|-------------|-----|---------|
| Diversified Financial Services | 3.5% | | |
| Aircastle Ltd., 6.25%, 12/01/19 | | 261 | 281,228 |
| Ally Financial, Inc.: | | | |
| 7.50%, 12/31/13 | | 90 | 94,500 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Corporate Bonds | | | |
| Diversified Financial Services (concluded) | | | |
| Ally Financial, Inc. (concluded): | | | |
| 8.30%, 2/12/15 | USD | 1,330 | \$ 1,479,625 |
| 7.50%, 9/15/20 | | 1,990 | 2,407,900 |
| 8.00%, 11/01/31 | | 2,000 | 2,512,500 |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b) | | 490 | 483,263 |
| Co-Operative Group Ltd., 5.63%, 7/08/20 (j) | GBP | 240 | 381,568 |
| DPL, Inc.: | | | |
| 6.50%, 10/15/16 | USD | 50 | 52,500 |
| 7.25%, 10/15/21 | | 130 | 139,425 |
| Gala Group Finance Plc, 8.88%, 9/01/18 | GBP | 400 | 655,366 |
| Reynolds Group Issuer, Inc.: | | | |
| 7.13%, 4/15/19 | USD | 1,070 | 1,148,912 |
| 9.00%, 4/15/19 | | 195 | 206,700 |
| 9.88%, 8/15/19 | | 1,450 | 1,587,750 |
| 5.75%, 10/15/20 | | 3,640 | 3,758,300 |
| 6.88%, 2/15/21 | | 515 | 549,762 |
| WMG Acquisition Corp., 6.00%, 1/15/21 (b) | | 656 | 678,960 |
| | | | 16,418,259 |
| Diversified Telecommunication Services 1.0% | | | |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b) | | | |
| | | 520 | 561,600 |
| Level 3 Financing, Inc.: | | | |
| 8.13%, 7/01/19 | | 2,902 | 3,163,180 |
| 7.00%, 6/01/20 (b) | | 340 | 357,000 |
| OTE Plc, 7.25%, 2/12/15 (j) | EUR | 104 | 136,456 |
| Telenet Finance V Luxembourg SCA: | | | |
| 6.25%, 8/15/22 | | 119 | 159,244 |
| 6.75%, 8/15/24 | | 222 | 302,875 |
| | | | 4,680,355 |
| Electric Utilities 0.1% | | | |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17 | | | |
| | USD | 475 | 527,094 |
| Electrical Equipment 0.3% | | | |
| Belden, Inc., 5.50%, 9/01/22 (b) | | | |
| | | 360 | 369,000 |
| General Cable Corp., 5.75%, 10/01/22 (b) | | | |
| | | 670 | 686,750 |
| Techem GmbH, 6.13%, 10/01/19 | | | |
| | EUR | 200 | 277,429 |
| | | | 1,333,179 |
| Energy Equipment & Services 2.7% | | | |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b) | | | |
| | USD | 1,680 | 1,688,400 |
| Compagnie Générale de Géophysique, Veritas, 6.50%, 6/01/21 | | | |
| | | 1,000 | 1,040,000 |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (b) | | | |
| | | 779 | 806,265 |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 | | | |
| | | 130 | 134,225 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 | | | |
| | | 265 | 278,250 |
| MEG Energy Corp. (b): | | | |
| 6.50%, 3/15/21 | | 1,135 | 1,197,425 |
| 6.38%, 1/30/23 | | 775 | 802,125 |
| Oil States International, Inc.: | | | |
| 6.50%, 6/01/19 | | 475 | 508,250 |
| 5.13%, 1/15/23 (b) | | 653 | 653,000 |
| Peabody Energy Corp.: | | | |
| 6.00%, 11/15/18 | | 339 | 360,187 |
| 6.25%, 11/15/21 | | 1,706 | 1,774,240 |
| Precision Drilling Corp.: | | | |
| 6.63%, 11/15/20 | | 125 | 132,813 |

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| | | | |
|--|--------------|-------|--------------|
| 6.50%, 12/15/21 | | 840 | 890,400 |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (b) | | 377 | 395,850 |
| Seadrill Ltd., 5.63%, 9/15/17 (b) | | 1,783 | 1,805,287 |
| Tervita Corp., 8.00%, 11/15/18 (b) | | 597 | 614,910 |
| | | | 13,081,627 |
| | Par | | Value |
| | (000) | | |
| Corporate Bonds | | | |
| Food & Staples Retailing 0.2% | | | |
| Bakkavor Finance 2 Plc, 8.25%, 2/15/18 | GBP | 192 | \$ 295,643 |
| Rite Aid Corp., 9.25%, 3/15/20 | USD | 435 | 487,200 |
| | | | 782,843 |
| Food Products 0.3% | | | |
| Post Holdings, Inc., 7.38%, 2/15/22 | | 545 | 588,600 |
| Smithfield Foods, Inc., 6.63%, 8/15/22 | | 554 | 602,475 |
| | | | 1,191,075 |
| Health Care Equipment & Supplies 1.3% | | | |
| Biomet, Inc. (b): | | | |
| 6.50%, 8/01/20 | | 1,211 | 1,280,632 |
| 6.50%, 10/01/20 | | 2,593 | 2,670,790 |
| DJO Finance LLC: | | | |
| 8.75%, 3/15/18 | | 295 | 325,606 |
| 7.75%, 4/15/18 | | 770 | 766,150 |
| 9.88%, 4/15/18 | | 350 | 373,625 |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19 (b) | | 145 | 142,100 |
| Teleflex, Inc., 6.88%, 6/01/19 | | 475 | 516,563 |
| | | | 6,075,466 |
| Health Care Providers & Services 3.7% | | | |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | | | |
| | | 700 | 750,750 |
| Care UK Health & Social Care Plc, 9.75%, 8/01/17 | GBP | 65 | 99,348 |
| CHS/Community Health Systems, Inc.: | | | |
| 5.13%, 8/15/18 | USD | 345 | 362,681 |
| 7.13%, 7/15/20 | | 333 | 358,808 |
| Crown Newco 3 Plc: | | | |
| 7.00%, 2/15/18 | GBP | 194 | 303,873 |
| 7.00%, 2/15/18 (b) | | 108 | 169,166 |
| DaVita HealthCare Partners, Inc., 5.75%, 8/15/22 | USD | 661 | 689,092 |
| HCA, Inc.: | | | |
| 6.50%, 2/15/20 | | 1,900 | 2,128,000 |
| 7.88%, 2/15/20 | | 1,245 | 1,380,394 |
| 7.25%, 9/15/20 | | 380 | 421,800 |
| 5.88%, 3/15/22 | | 1,905 | 2,052,637 |
| 4.75%, 5/01/23 | | 581 | 579,548 |
| Hologic, Inc., 6.25%, 8/01/20 (b) | | 977 | 1,030,735 |
| IASIS Healthcare LLC, 8.38%, 5/15/19 | | 522 | 537,660 |
| inVentiv Health, Inc., 9.00%, 1/15/18 (b) | | 510 | 531,675 |
| Omnicare, Inc., 7.75%, 6/01/20 | | 1,310 | 1,454,100 |
| Tenet Healthcare Corp.: | | | |
| 6.25%, 11/01/18 | | 516 | 571,470 |
| 8.88%, 7/01/19 | | 2,305 | 2,604,650 |
| 6.75%, 2/01/20 | | 340 | 363,800 |
| 4.50%, 4/01/21 (b) | | 576 | 568,080 |
| Vanguard Health Holding Co. II LLC, 7.75%, 2/01/19 (b) | | 565 | 605,256 |
| | | | 17,563,523 |
| Health Care Technology 0.8% | | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | | 3,205 | 3,862,025 |
| Hotels, Restaurants & Leisure 2.6% | | | |
| Caesars Entertainment Operating Co., Inc.: | | | |
| 10.00%, 12/15/18 | | 104 | 68,640 |
| 9.00%, 2/15/20 (b) | | 106 | 104,675 |
| Caesars Operating Escrow LLC: | | | |
| 8.50%, 2/15/20 | | 880 | 858,000 |
| 9.00%, 2/15/20 (b) | | 1,181 | 1,166,237 |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (b) | | 260 | 271,700 |

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| | | | |
|---|-----|-------|-----------|
| Choice Hotels International, Inc., 5.75%, 7/01/22 | | 170 | 188,700 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18 | EUR | 2,469 | 3,158,933 |
| Diamond Resorts Corp., 12.00%, 8/15/18 | USD | 1,040 | 1,144,000 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Hotels, Restaurants & Leisure (concluded) | | | |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19 | EUR | 235 | \$ 316,008 |
| HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (b)(d)(e) | USD | 6,892 | 1 |
| HRP Myrtle Beach Operations LLC (d)(e): | | | |
| 12.50%, 4/01/13 (b) | | 5,000 | 1 |
| 14.50%, 4/01/14 | | 5,000 | 1 |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b) | | 609 | 584,640 |
| Regal Entertainment Group, 5.75%, 2/01/25 | | 189 | 185,220 |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b) | | 412 | 403,760 |
| Station Casinos LLC: | | | |
| 3.66%, 6/18/18 | | 310 | 310,000 |
| 7.50%, 3/01/21 (b) | | 922 | 927,762 |
| Travelport LLC, 4.91%, 9/01/14 (a) | | 1,770 | 1,610,700 |
| Tropicana Entertainment LLC, | | | |
| 9.63%, 12/15/14 (d)(e) | | 530 | |
| The Unique Pub Finance Co. Plc, Series A3, 6.54%, 3/30/21 | GBP | 100 | 151,326 |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 | USD | 888 | 933,510 |
| | | | 12,383,814 |
| Household Durables 1.6% | | | |
| Algeco Scotsman Global Finance Plc, 9.00%, 10/15/18 | EUR | 380 | 515,953 |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (b) | USD | 366 | 367,830 |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 | | 640 | 684,000 |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (b) | | 655 | 694,300 |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b) | | 1,505 | 1,655,500 |
| Libbey Glass, Inc., 6.88%, 5/15/20 | | 175 | 187,688 |
| Spie BondCo 3 SCA, 11.00%, 8/15/19 | EUR | 244 | 355,188 |
| Standard Pacific Corp., 8.38%, 1/15/21 | USD | 1,685 | 2,000,937 |
| United Rentals North America, Inc., 5.75%, 7/15/18 | | 877 | 943,871 |
| | | | 7,405,267 |
| Household Products 0.2% | | | |
| Ontex IV SA: | | | |
| 7.50%, 4/15/18 | EUR | 100 | 135,777 |
| 9.00%, 4/15/19 | | 217 | 290,387 |
| Spectrum Brands Escrow Corp. (b): | | | |
| 6.38%, 11/15/20 | USD | 175 | 186,156 |
| 6.63%, 11/15/22 | | 200 | 215,500 |
| | | | 827,820 |
| Independent Power Producers & Energy Traders 4.1% | | | |
| The AES Corp.: | | | |
| 7.75%, 10/15/15 | | 300 | 336,000 |
| 9.75%, 4/15/16 | | 1,305 | 1,552,950 |
| 7.38%, 7/01/21 | | 130 | 146,900 |
| Calpine Corp. (b): | | | |
| 7.25%, 10/15/17 | | 818 | 870,147 |
| 7.50%, 2/15/21 | | 315 | 342,563 |
| Energy Future Intermediate Holding Co. LLC: | | | |
| 6.88%, 8/15/17 (b) | | 715 | 754,325 |
| 10.00%, 12/01/20 (b) | | 1,875 | 2,114,062 |
| 10.00%, 12/01/20 | | 6,060 | 6,878,100 |
| GenOn REMA LLC: | | | |
| Series B, 9.24%, 7/02/17 | | 460 | 507,529 |
| Series C, 9.68%, 7/02/26 | | 460 | 501,400 |
| Laredo Petroleum, Inc.: | | | |

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| | | | |
|---|-----|--------------|--------------|
| 9.50%, 2/15/19 | | 1,210 | 1,367,300 |
| 7.38%, 5/01/22 | | 360 | 390,600 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Independent Power Producers & Energy Traders (concluded) | | | |
| NRG Energy, Inc.: | | | |
| 7.63%, 1/15/18 | USD | 1,423 | \$ 1,631,114 |
| 6.63%, 3/15/23 (b) | | 1,435 | 1,528,275 |
| QEP Resources, Inc., 5.38%, 10/01/22 | | 335 | 350,913 |
| | | | 19,272,178 |
| Industrial Conglomerates 0.2% | | | |
| Sequa Corp., 7.00%, 12/15/17 (b) | | 920 | 926,900 |
| Insurance 0.2% | | | |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (b) | | | |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b) | | 415 | 410,850 |
| TMF Group Holding BV, 9.88%, 12/01/19 | EUR | 100 | 131,861 |
| | | | 770,611 |
| Internet Software & Services 0.0% | | | |
| Equinix, Inc., 4.88%, 4/01/20 | USD | 100 | 100,000 |
| IT Services 1.2% | | | |
| Ceridian Corp., 8.88%, 7/15/19 (b) | | | |
| Epicor Software Corp., 8.63%, 5/01/19 | | 720 | 775,800 |
| First Data Corp.: | | | |
| 7.38%, 6/15/19 (b) | | 835 | 877,794 |
| 6.75%, 11/01/20 (b) | | 960 | 985,200 |
| 8.25%, 1/15/21 (b) | | 222 | 226,995 |
| 12.63%, 1/15/21 | | 566 | 603,497 |
| SunGard Data Systems, Inc., 6.63%, 11/01/19 (b) | | 740 | 760,350 |
| WEX, Inc., 4.75%, 2/01/23 (b) | | 395 | 382,163 |
| | | | 5,716,749 |
| Machinery 1.0% | | | |
| Silver II Borrower/Silver II US Holdings LLC, 7.75%, 12/15/20 (b) | | | |
| Terex Corp., 6.00%, 5/15/21 | | 760 | 788,500 |
| Trinseo Materials Operating SCA, 8.75%, 2/01/19 (b) | | 411 | 409,459 |
| UR Merger Sub Corp.: | | | |
| 7.38%, 5/15/20 | | 565 | 618,675 |
| 7.63%, 4/15/22 | | 2,328 | 2,578,260 |
| | | | 4,642,414 |
| Media 3.9% | | | |
| AMC Networks, Inc.: | | | |
| 7.75%, 7/15/21 | | 605 | 686,675 |
| 4.75%, 12/15/22 | | 191 | 190,284 |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (b) | | 415 | 327,850 |
| Checkout Holding Corp., 11.49%, 11/15/15 (b)(f) | | 700 | 517,125 |
| Cinemark USA, Inc.: | | | |
| 8.63%, 6/15/19 | | 410 | 454,587 |
| 5.13%, 12/15/22 (b) | | 145 | 145,725 |
| Clear Channel Communications, Inc., 9.00%, 12/15/19 (b)(c) | | 896 | 833,280 |
| Clear Channel Worldwide Holdings, Inc.: | | | |
| 6.50%, 11/15/22 (b) | | 684 | 714,780 |
| 6.50%, 11/15/22 (b) | | 1,846 | 1,942,915 |
| Series B, 7.63%, 3/15/20 | | 1,100 | 1,138,500 |
| DISH DBS Corp., 5.88%, 7/15/22 | | 1,265 | 1,334,575 |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 | | 1,160 | 1,244,100 |
| Intelsat Luxembourg SA: | | | |
| 11.25%, 2/04/17 | | 250 | 265,625 |
| 11.50%, 2/04/17 (h) | | 1,190 | 1,265,862 |
| Interactive Data Corp., 10.25%, 8/01/18 | | 1,545 | 1,751,644 |
| Lynx II Corp., 6.38%, 4/15/23 (b) | | 200 | 207,250 |
| The McClatchy Co., 9.00%, 12/15/22 (b) | | 230 | 243,225 |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b) | | 920 | 1,002,800 |
| Nara Cable Funding Ltd., 8.88%, 12/01/18 | EUR | 200 | 274,165 |

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Media (concluded) | | | |
| Nielsen Finance LLC, 7.75%, 10/15/18 | USD | 658 | \$ 728,735 |
| ProQuest LLC, 9.00%, 10/15/18 (b) | | 139 | 137,958 |
| Sterling Entertainment Corp., 10.00%, 12/15/19 | | 850 | 850,000 |
| Unitymedia Hessen GmbH & Co. KG: | | | |
| 7.50%, 3/15/19 | | 1,040 | 1,133,600 |
| 5.50%, 1/15/23 (b) | | 830 | 838,300 |
| Univision Communications, Inc., 6.75%, 9/15/22 (b) | | 255 | 275,400 |
| | | | 18,504,960 |
| Metals & Mining 2.2% | | | |
| ArcelorMittal: | | | |
| 9.50%, 2/15/15 | | 1,345 | 1,518,169 |
| 4.25%, 8/05/15 | | 698 | 722,669 |
| 5.00%, 2/25/17 | | 278 | 289,259 |
| 6.13%, 6/01/18 | | 357 | 384,952 |
| 6.75%, 2/25/22 | | 287 | 316,018 |
| Eco-Bat Finance Plc, 7.75%, 2/15/17 | EUR | 305 | 411,134 |
| FMG Resources August 2006 Property Ltd., 6.38%, 2/01/16 (b) | USD | 445 | 463,913 |
| Global Brass and Copper, Inc., 9.50%, 6/01/19 (b) | | 485 | 527,437 |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 | | 360 | 402,300 |
| New Gold, Inc. (b): | | | |
| 7.00%, 4/15/20 | | 120 | 129,600 |
| 6.25%, 11/15/22 | | 485 | 510,463 |
| Novelis, Inc., 8.75%, 12/15/20 | | 3,625 | 4,060,000 |
| Perstorp Holding AB, 8.75%, 5/15/17 (b) | | 205 | 215,250 |
| RathGibson, Inc., 11.25%, 2/15/14 (d)(e) | | 4,440 | |
| Schmolz & Bickenbach Luxembourg SA, 9.88%, 5/15/19 | EUR | 260 | 303,903 |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (b) | USD | 390 | 417,300 |
| | | | 10,672,367 |
| Multiline Retail 0.3% | | | |
| Dollar General Corp., 4.13%, 7/15/17 | | 241 | 254,858 |
| Dufry Finance SCA, 5.50%, 10/15/20 (b) | | 1,068 | 1,113,390 |
| | | | 1,368,248 |
| Oil, Gas & Consumable Fuels 7.3% | | | |
| Access Midstream Partners LP: | | | |
| 6.13%, 7/15/22 | | 785 | 841,912 |
| 4.88%, 5/15/23 | | 360 | 356,400 |
| Chaparral Energy, Inc., 7.63%, 11/15/22 | | 215 | 233,275 |
| Chesapeake Energy Corp.: | | | |
| 7.25%, 12/15/18 | | 45 | 50,850 |
| 6.63%, 8/15/20 | | 500 | 547,500 |
| 6.88%, 11/15/20 | | 285 | 313,500 |
| 6.13%, 2/15/21 | | 435 | 461,100 |
| Concho Resources, Inc.: | | | |
| 6.50%, 1/15/22 | | 414 | 451,260 |
| 5.50%, 10/01/22 | | 498 | 518,543 |
| CONSOL Energy, Inc.: | | | |
| 8.25%, 4/01/20 | | 1,885 | 2,078,212 |
| 6.38%, 3/01/21 | | 440 | 453,200 |
| Crosstex Energy LP, 8.88%, 2/15/18 | | 370 | 398,675 |
| Denbury Resources, Inc., 4.63%, 7/15/23 | | 714 | 700,612 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 | | 1,300 | 1,394,250 |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19 | | 440 | 479,600 |

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| | | |
|---|--------------|--------------|
| Halcon Resources Corp., 8.88%, 5/15/21 (b) | 666 | 715,950 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b) | 734 | 809,235 |
| Holly Energy Partners LP, 6.50%, 3/01/20 (b) | 150 | 160,500 |
| Kinder Morgan Finance Co. LLC, 6.00%, 1/15/18 (b) | 925 | 1,020,889 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 | 605 | 680,625 |
| Linn Energy LLC: | | |
| 6.25%, 11/01/19 (b) | 1,685 | 1,718,700 |
| 8.63%, 4/15/20 | 180 | 199,125 |
| 7.75%, 2/01/21 | 715 | 772,200 |
| | Par | Value |
| Corporate Bonds | (000) | |
| Oil, Gas & Consumable Fuels (concluded) | | |
| MarkWest Energy Partners LP: | | |
| 5.50%, 2/15/23 | USD 275 | \$ 288,750 |
| 4.50%, 7/15/23 | 393 | 384,158 |
| Newfield Exploration Co., 5.63%, 7/01/24 | 1,000 | 1,045,000 |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 | 505 | 527,725 |
| Oasis Petroleum, Inc.: | | |
| 7.25%, 2/01/19 | 270 | 291,600 |
| 6.50%, 11/01/21 | 290 | 313,200 |
| Offshore Group Investments Ltd., 11.50%, 8/01/15 | 739 | 805,510 |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (b) | 334 | 363,225 |
| PDC Energy, Inc., 7.75%, 10/15/22 (b) | 335 | 354,263 |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (b) | 633 | 645,660 |
| Pioneer Natural Resources Co., 7.20%, 1/15/28 | 1,080 | 1,397,841 |
| Plains Exploration & Production Co., 6.88%, 2/15/23 | 855 | 985,387 |
| Range Resources Corp.: | | |
| 6.75%, 8/01/20 | 420 | 458,850 |
| 5.75%, 6/01/21 | 1,273 | 1,355,745 |
| 5.00%, 8/15/22 | 504 | 515,340 |
| Sabine Pass Liquefaction LLC, 5.63%, 2/01/21 (b) | 2,589 | 2,673,142 |
| Sabine Pass Liquefied Natural Gas LP: | | |
| 7.50%, 11/30/16 | 2,905 | 3,210,025 |
| 6.50%, 11/01/20 (b) | 525 | 553,875 |
| SandRidge Energy, Inc., 7.50%, 2/15/23 | 1,119 | 1,172,152 |
| SESI LLC: | | |
| 6.38%, 5/01/19 | 530 | 568,425 |
| 7.13%, 12/15/21 | 525 | 581,438 |
| SM Energy Co.: | | |
| 6.50%, 11/15/21 | 425 | 462,188 |
| 6.50%, 1/01/23 | 200 | 216,500 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (b) | 125 | 130,313 |
| | | 34,656,425 |
| Paper & Forest Products 0.2% | | |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b) | 575 | 619,563 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (b) | 280 | 294,000 |
| NewPage Corp., 11.38%, 12/31/14 (d)(e) | 2,107 | |
| Sappi Papier Holding GmbH, 8.38%, 6/15/19 (b) | 200 | 224,000 |
| | | 1,137,563 |
| Pharmaceuticals 0.4% | | |
| Mylan, Inc., 6.00%, 11/15/18 (b) | 60 | 66,082 |
| Valeant Pharmaceuticals International (b): | | |
| 6.50%, 7/15/16 | 466 | 489,591 |
| 6.38%, 10/15/20 | 650 | 699,563 |
| 7.25%, 7/15/22 | 660 | 728,475 |
| | | 1,983,711 |
| Professional Services 0.1% | | |
| Truven Health Analytics, Inc., 10.63%, 6/01/20 (b) | 380 | 425,600 |
| Real Estate Investment Trusts (REITs) 0.4% | | |
| Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (b) | 455 | 457,275 |
| Felcor Lodging LP: | | |
| 6.75%, 6/01/19 | 1,325 | 1,423,547 |
| 5.63%, 3/01/23 (b) | 206 | 207,287 |
| | | 2,088,109 |

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Real Estate Management & Development 1.3%

| | | |
|--|-------|-----------|
| Mattamy Group Corp., 6.50%, 11/15/20 (b) | 605 | 602,731 |
| Realty Corp.: | | |
| 11.50%, 4/15/17 | 275 | 293,219 |
| 12.00%, 4/15/17 | 160 | 170,800 |
| 7.88%, 2/15/19 (b) | 1,760 | 1,914,000 |
| 7.63%, 1/15/20 (b) | 1,190 | 1,341,725 |
| 9.00%, 1/15/20 (b) | 310 | 355,725 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| Real Estate Management & Development (concluded) | | |
| Shea Homes LP, 8.63%, 5/15/19 | USD 1,495 | \$ 1,659,450 |
| | | 6,337,650 |
| Road & Rail 0.7% | | |
| The Hertz Corp.: | | |
| 7.50%, 10/15/18 | 1,490 | 1,627,825 |
| 6.75%, 4/15/19 (b) | 285 | 307,088 |
| 7.38%, 1/15/21 | 1,385 | 1,526,962 |
| | | 3,461,875 |
| Semiconductors & Semiconductor Equipment 0.1% | | |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (b) | 545 | 557,263 |
| Software 0.8% | | |
| IAC/InterActiveCorp, 4.75%, 12/15/22 (b) | 373 | 364,608 |
| Infor US, Inc., 9.38%, 4/01/19 | 2,420 | 2,716,450 |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b) | 695 | 703,687 |
| | | 3,784,745 |
| Specialty Retail 0.7% | | |
| Claire's Stores, Inc., 9.00%, 3/15/19 (b) | 734 | 814,740 |
| Michaels Stores, Inc., 7.75%, 11/01/18 | 223 | 243,349 |
| New Academy Finance Co. LLC/New Academy Finance Corp., 8.00%, 6/15/18 (b)(h) | 155 | 160,037 |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b) | 422 | 458,925 |
| Penske Automotive Group, Inc., 5.75%, 10/01/22 (b) | 495 | 517,894 |
| QVC, Inc., 5.13%, 7/02/22 | 5 | 5,287 |
| Sally Holdings LLC: | | |
| 6.88%, 11/15/19 | 650 | 724,750 |
| 5.75%, 6/01/22 | 300 | 316,875 |
| | | 3,241,857 |
| Textiles, Apparel & Luxury Goods 0.2% | | |
| Levi Strauss & Co., 6.88%, 5/01/22 | 265 | 287,856 |
| PVH Corp., 7.75%, 11/15/23 | 410 | 503,320 |
| | | 791,176 |
| Trading Companies & Distributors 0.5% | | |
| Doric Nimrod Air Finance Alpha Ltd., Series 2012-1 (b): | | |
| Class A, 5.13%, 11/30/24 | 1,190 | 1,279,250 |
| Class B, 6.50%, 5/30/21 | 940 | 993,728 |
| | | 2,272,978 |
| Transportation Infrastructure 0.1% | | |
| Aguila 3 SA, 7.88%, 1/31/18 (b) | 353 | 374,180 |
| Wireless Telecommunication Services 2.7% | | |
| Crown Castle International Corp., 5.25%, 1/15/23 (b) | 1,165 | 1,194,125 |
| Digicel Group Ltd., 8.25%, 9/30/20 (b) | 995 | 1,061,167 |
| Digicel Ltd., 8.25%, 9/01/17 (b) | 810 | 854,550 |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20 | 608 | 636,120 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,650 | 1,666,500 |
| Sprint Nextel Corp. (b): | | |
| 9.00%, 11/15/18 | 4,260 | 5,282,400 |
| 7.00%, 3/01/20 | 1,770 | 2,070,900 |
| | | 12,765,762 |

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Total Corporate Bonds 61.2% 290,323,636

Floating Rate Loan Interests (a)

Aerospace & Defense 0.3%

| | | |
|---|-----|---------|
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/24/20 | 930 | 933,776 |
| Transdigm, Inc., Term Loan C, 4.00%, 2/28/20 | 475 | 475,893 |

1,409,669

Floating Rate Loan Interests (a)

Airlines 0.6%

| | Par (000) | Value |
|--|----------------------|--------------|
| Delta Air Lines, Inc., Term Loan B, 4.50%, 4/20/17 | USD 1,852 | \$ 1,868,651 |
| Northwest Airlines, Inc.: | | |
| Term Loan, 2.32%, 3/10/17 | 243 | 226,233 |
| Term Loan, 2.32%, 3/10/17 | 440 | 409,640 |
| Term Loan, 1.70%, 9/10/18 | 199 | 177,667 |
| Term Loan, 1.70%, 9/10/18 | 198 | 176,774 |
| US Airways Group, Inc., Term Loan, 2.70%, 3/21/14 | 185 | 184,471 |

3,043,436

Auto Components 2.3%

Autoparts Holdings Ltd.:

| | | |
|--|-------|-----------|
| First Lien Term Loan, 6.50%, 7/28/17 | 1,383 | 1,390,560 |
| Second Lien Term Loan, 10.50%, 1/29/18 | 1,800 | 1,827,000 |

Federal-Mogul Corp.:

| | | |
|---|-------|-----------|
| Term Loan B, 2.14%, 12/29/14 | 2,193 | 2,040,387 |
| Term Loan C, 2.14%, 12/28/15 | 586 | 544,731 |
| FleetPride Corp., First Lien Term Loan, 5.25%, 11/20/19 | 650 | 657,514 |
| The Goodyear Tire & Rubber Co., Second Lien Term Loan, 4.75%, 4/30/19 | 2,170 | 2,178,138 |
| Schaeffler AG, Term Loan B2, 6.00%, 1/27/17 | 1,515 | 1,514,621 |
| Transtar Holding Co., First Lien Term Loan, 5.50%, 10/09/18 | 908 | 916,802 |

11,069,753

Biotechnology 0.2%

| | | |
|--|-------|-----------|
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17 | 1,025 | 1,030,485 |
|--|-------|-----------|

Building Products 0.8%

| | | |
|--|-------|-----------|
| Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18 | 1,106 | 1,106,268 |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19 | 1,441 | 1,452,198 |
| Wilsonart International Holdings LLC, Term Loan B, 5.50%, 10/31/19 | 1,430 | 1,445,015 |

4,003,481

Capital Markets 1.1%

| | | |
|--|-------|-----------|
| American Capital Holdings, Inc., Term Loan, 5.50%, 8/22/16 | 1,025 | 1,035,250 |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17 | 658 | 661,380 |
| Nuveen Investments, Inc.: | | |
| Extended First Lien Term Loan, 5.70% 5.81%, 5/13/17 | 418 | 423,353 |
| Extended Term Loan, 5.70% 5.81%, 5/12/17 | 1,202 | 1,218,085 |
| Incremental Term Loan, 7.25%, 5/13/17 | 405 | 407,025 |
| Second Lien Term Loan, 8.25%, 2/28/19 | 1,241 | 1,265,820 |

5,010,913

Chemicals 2.8%

| | | |
|--|-----------|-----------|
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17 | 2,230 | 2,208,374 |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16 | 1,300 | 1,309,750 |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19 | 801 | 808,206 |
| General Chemical Corp., Term Loan, 5.00% 5.75%, 10/06/15 | 882 | 885,680 |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18 | 1,405 | 1,434,164 |
| MacDermid, Inc., Tranche C Term Loan, 2.31%, 4/11/14 | EUR 606 | 790,184 |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17 | USD 1,686 | 1,680,846 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|----------------------|--------------|
| Floating Rate Loan Interests (a) | | | |
| Chemicals (concluded) | | | |
| Tronox Pigments (Netherlands) BV, Delayed Draw Term Loan B, 4.25%, 2/08/18 | USD | 668 | \$ 667,561 |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17 | | 549 | 546,781 |
| US Coatings Acquisition, Inc.: | | | |
| Term Loan, 4.75%, 2/03/20 | | 2,830 | 2,864,356 |
| Term Loan B, 5.25%, 2/03/20 | EUR | 125 | 164,855 |
| | | | 13,360,757 |
| Commercial Banks 0.3% | | | |
| Everest Acquisition LLC, Term Loan B1, 5.00%, 5/24/18 | USD | 1,190 | 1,199,984 |
| Commercial Services & Supplies 2.8% | | | |
| ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19 | | 950 | 957,377 |
| ADS Waste Holdings, Inc., Term Loan B, 5.25%, 10/09/19 | | 2,375 | 2,377,232 |
| Altegrity, Inc.: | | | |
| 7.75%, 2/20/15 | | 1,127 | 1,127,151 |
| Term Loan, 3.20%, 2/21/15 | | 730 | 704,450 |
| AWAS Finance Luxembourg 2012 SA, Term Loan, 4.75%, 7/16/18 | | 431 | 438,622 |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16 | | 760 | 766,100 |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16 | | 975 | 980,684 |
| Garda World Security Corp., Term Loan B, 4.50%, 11/13/19 | | 584 | 589,011 |
| KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17 | | 2,364 | 2,387,640 |
| Progressive Waste Solutions Ltd., Term Loan B, 3.50%, 10/24/19 | | 555 | 559,856 |
| Protection One, Inc., Term Loan, 5.75%, 3/21/19 | | 953 | 961,138 |
| West Corp., Term Loan B8, 5.75%, 2/07/18 | | 1,250 | 1,253,650 |
| | | | 13,102,911 |
| Communications Equipment 3.0% | | | |
| Alcatel-Lucent: | | | |
| Term Loan B, 6.25%, 7/29/16 | | 795 | 803,308 |
| Term Loan C, 7.25%, 1/31/19 | | 2,720 | 2,749,920 |
| Term Loan D, 7.75%, 1/31/19 | EUR | 875 | 1,145,372 |
| Avaya, Inc.: | | | |
| Extended Term Loan B3, 4.79%, 10/26/17 | USD | 352 | 327,462 |
| Term Loan B5, 8.00%, 3/30/18 | | 275 | 276,282 |
| CommScope, Inc., Term Loan, 4.25%, 1/12/18 | | 1,474 | 1,480,058 |
| Riverbed Technology, Inc., Term Loan, 4.00%, 12/18/19 | | 715 | 723,044 |
| Telesat Canada, Term Loan A, 4.40%, 3/24/17 | CAD | 2,630 | 2,505,673 |
| Zayo Group LLC Refinancing, Term Loan B, 5.25%, 7/12/19 | USD | 4,070 | 4,082,776 |
| | | | 14,093,895 |
| Construction & Engineering 1.2% | | | |
| BakerCorp International, Inc., Term Loan, 5.00%, 2/14/20 | | 1,183 | 1,185,760 |
| Centaur LLC: | | | |
| First Lien Term Loan, 8.75%, 2/15/19 | | 1,040 | 1,040,655 |
| Second Lien Term Loan, 8.75%, 2/15/20 | | 510 | 517,650 |
| Safway Services LLC, First Out Term Loan, 9.00%, 12/16/17 | | 2,750 | 2,750,000 |
| | | | 5,494,065 |
| Construction Materials 1.0% | | | |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17 | | 4,766 | 4,779,128 |
| Consumer Finance 0.3% | | | |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17 | | 1,635 | 1,640,788 |
| | | Par (000) | Value |
| Floating Rate Loan Interests (a) | | | |
| Containers & Packaging 0.1% | | | |
| Sealed Air Corp., Term Loan, 4.00%, 10/03/18 | USD | 680 | \$ 687,432 |

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| | | |
|--|-----------|------------|
| Distributors 0.2% | | |
| Crossmark Holdings, Inc., Term Loan, 4.50%, 1/31/20 | 425 | 425,178 |
| VWR Funding, Inc., Extended Term Loan B, 4.54%, 4/03/17 | 500 | 503,595 |
| | | 928,773 |
| Diversified Consumer Services 1.9% | | |
| Bright Horizons Family, Inc., Term Loan B, 4.00%, 1/16/20 | 1,030 | 1,035,150 |
| Coinmach Service Corp., Term Loan B, 3.21%, 11/20/14 | 4,069 | 3,977,063 |
| Education Management LLC, Term Loan C3, 8.25%, 3/29/18 | 397 | 341,416 |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18 | 1,291 | 1,297,365 |
| ServiceMaster Co., New Term Loan, 4.25%, 4/01/17 | 1,580 | 1,574,639 |
| Weight Watchers International, Inc., Term Loan F, 4.00%, 3/15/19 | 883 | 885,654 |
| | | 9,111,287 |
| Diversified Financial Services 0.7% | | |
| Reynolds Group Holdings, Inc., Dollar Term Loan, 4.75%, 9/28/18 | 2,539 | 2,566,664 |
| WMG Acquisition Corp., Term Loan, 5.25%, 11/01/18 | 660 | 667,425 |
| | | 3,234,089 |
| Diversified Telecommunication Services 3.0% | | |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18 | 1,565 | 1,580,165 |
| Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17 | 2,020 | 2,057,811 |
| Integra Telecom, Inc.: Second Lien Term Loan, 9.75%, 2/15/20 | 420 | 429,450 |
| Term Loan, 9.25%, 2/15/19 | 840 | 849,240 |
| Level 3 Financing, Inc.: 2016 Term Loan B, 4.75%, 2/01/16 | 135 | 136,177 |
| 2019 Term Loan B, 5.25%, 8/01/19 | 110 | 111,123 |
| Term Loan, 4.75%, 8/01/19 | 6,725 | 6,778,800 |
| Syniverse Holdings, Inc., Delayed Draw Term Loan, 4.00%, 4/23/19 | 830 | 828,963 |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17 | 1,483 | 1,478,777 |
| | | 14,250,506 |
| Electronic Equipment, Instruments & Components 0.2% | | |
| CDW LLC, Extended Term Loan, 4.00%, 7/14/17 | 806 | 807,341 |
| Energy Equipment & Services 1.7% | | |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16 | 1,418 | 1,463,130 |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16 | 2,288 | 2,379,177 |
| MEG Energy Corp., Term Loan, 3.75%, 3/20/20 | 2,963 | 2,969,906 |
| Tervita Corp., Incremental Term Loan, 3.20%, 5/01/18 | 820 | 824,231 |
| Unifrax I LLC/Unifrax Holding Co., Dollar Term Loan, 4.25%, 11/28/18 | 400 | 402,644 |
| | | 8,039,088 |
| Food & Staples Retailing 1.5% | | |
| Alliance Boots Holdings Ltd., Term Loan B1, 3.49%, 7/09/15 | GBP 3,000 | 4,457,306 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Floating Rate Loan Interests (a) | | |
| Food & Staples Retailing (concluded) | | |
| Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19 | USD 858 | \$ 865,622 |
| Rite Aid Corp.: | | |
| Second Lien Term Loan, 5.75%, 7/07/20 | 430 | 439,795 |
| Term Loan 6, 4.00%, 2/21/20 | 405 | 405,782 |
| Supervalu, Inc., Term Loan B, 6.25%, 2/05/18 | 940 | 950,575 |
| | | 7,119,080 |
| Food Products 1.0% | | |
| Advance Pierre Foods, Inc., Term Loan, 5.75%, 7/10/17 | 970 | 981,824 |
| Del Monte Foods Co., Term Loan, 4.50%, 3/08/18 | 1,401 | 1,405,906 |
| Pinnacle Foods Finance LLC, Term Loan E, 4.75%, 10/17/18 | 1,369 | 1,381,842 |
| Solvest Ltd. (Dole): | | |
| Term Loan B-2, 5.00% 6.00%, 7/06/18 | 398 | 398,437 |
| Term Loan C-2, 5.00% 6.00%, 7/06/18 | 713 | 712,994 |
| | | 4,881,003 |
| Health Care Equipment & Supplies 2.8% | | |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19 | 2,139 | 2,155,038 |
| Biomet, Inc., Extended Term Loan B, 3.95% 4.06%, 7/25/17 | 773 | 777,972 |
| BSN Medical Acquisition Holding GmbH, Term Loan B1A, 5.00%, 8/28/19 | 1,360 | 1,365,440 |
| Capital Safety North America, Term Loan, 4.50%, 1/21/19 | 1,256 | 1,255,512 |
| DJO Finance LLC: | | |
| Extended Term Loan B2, 5.20%, 11/01/16 | 755 | 760,176 |
| Term Loan B3, 6.25%, 9/15/17 | 2,322 | 2,341,333 |
| Hologic, Inc., Term Loan B, 4.50%, 8/01/19 | 2,275 | 2,299,729 |
| Immucor, Inc., Term Loan B2, 5.75%, 8/18/18 | 1,501 | 1,499,181 |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18 | 751 | 768,127 |
| | | 13,222,508 |
| Health Care Providers & Services 3.3% | | |
| American Renal Holdings Co., Inc.: | | |
| First Lien Term Loan, 4.50%, 8/14/19 | 1,075 | 1,072,312 |
| Second Lien Term Loan, 8.50%, 2/14/20 | 850 | 847,875 |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18 | 510 | 517,012 |
| CHG Buyer Corp., First Lien Term Loan, 5.00%, 11/22/19 | 785 | 793,715 |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16 | 1,766 | 1,783,967 |
| DaVita, Inc.: | | |
| Term Loan B, 4.50%, 10/20/16 | 1,960 | 1,973,994 |
| Term Loan B2, 4.00%, 11/01/19 | 1,115 | 1,123,006 |
| Emergency Medical Services Corp., Term Loan, 4.00%, 5/25/18 | 687 | 688,112 |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 9/25/17 | 781 | 765,264 |
| Harden Healthcare LLC: | | |
| Add on Term Loan A, 7.75%, 3/02/15 | 1,817 | 1,779,014 |
| Term Loan A, 8.50%, 3/02/15 | 546 | 541,173 |
| inVentiv Health, Inc.: | | |
| Combined Term Loan, 7.50%, 8/04/16 | 381 | 374,611 |
| Incremental Term Loan B-3, 7.75%, 5/15/18 | 545 | 536,399 |
| Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17 | 1,845 | 1,835,426 |
| US Renal Care, Inc., First Lien Term Loan, 6.25%, 7/02/19 | 905 | 917,900 |
| | | 15,549,780 |

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| | Par (000) | Value |
|---|--------------|--------------|
| Floating Rate Loan Interests (a) | | |
| Health Care Technology 0.9% | | |
| IMS Health, Inc., Tranche B Term Loan, 3.75%, 8/25/17 | USD 2,648 | \$ 2,654,278 |
| Kinetic Concepts, Inc., Term Loan C1, 5.50%, 5/04/18 | 1,297 | 1,312,904 |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19 | 515 | 518,003 |
| | | 4,485,185 |
| Hotels, Restaurants & Leisure 4.2% | | |
| Alpha D2 Ltd., Term Loan B, 6.00%, 4/30/19 | 1,177 | 1,191,233 |
| Caesars Entertainment Operating Co., Inc., Term Loan B1, 3.20%, 1/28/15 | 2,544 | 2,536,304 |
| Golden Living, Term Loan, 5.00%, 5/04/18 | 1,011 | 969,145 |
| Harrah's Property Co., Mezzanine Term Loan, 3.69%, 2/13/14 | 2,703 | 2,486,392 |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19 | 1,395 | 1,411,042 |
| OSI Restaurant Partners LLC, Term Loan B, 4.75%, 10/24/19 | 1,043 | 1,056,176 |
| Sabre, Inc., Term Loan B, 5.25%, 2/19/19 | 585 | 584,585 |
| SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17 | 1,417 | 1,422,459 |
| Six Flags Theme Parks, Inc., Term Loan B, 4.00% 5.25%, 12/20/18 | 389 | 393,773 |
| Station Casinos, Inc.: | | |
| 2011 Term Loan B2, 6.25%, 6/17/16 | 1,670 | 1,656,089 |
| Term Loan B, 5.50%, 9/27/19 | 1,411 | 1,419,691 |
| Term Loan B, 5.00%, 2/13/20 | 2,995 | 3,019,957 |
| Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19 | 1,781 | 1,795,441 |
| | | 19,942,287 |
| Household Products 0.6% | | |
| Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19 | 1,050 | 1,055,147 |
| Spectrum Brands, Inc., Term Loan, 4.50%, 12/17/19 | 1,705 | 1,725,597 |
| | | 2,780,744 |
| Independent Power Producers & Energy Traders 0.5% | | |
| The AES Corp., Term Loan, 4.25%, 6/01/18 | 1,383 | 1,387,971 |
| Calpine Corp., Term Loan B1, 4.50%, 4/02/18 | 756 | 760,606 |
| | | 2,148,577 |
| Industrial Conglomerates 0.6% | | |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17 | 2,685 | 2,715,330 |
| Insurance 0.9% | | |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19 | 760 | 765,700 |
| Asurion LLC, Term Loan B1, 5.50%, 5/24/19 | 1,090 | 1,093,183 |
| CNO Financial Group, Inc.: | | |
| Term Loan B-1, 4.25%, 9/28/16 | 703 | 708,272 |
| Term Loan B-2, 5.00%, 9/20/18 | 958 | 966,955 |
| Cunningham Lindsey Group, Inc., Term Loan B, 5.00%, 12/10/19 | 660 | 668,250 |
| | | 4,202,360 |
| Internet Software & Services 0.2% | | |
| Web.com Group, Inc., Term Loan B, 5.50%, 10/27/17 | 1,117 | 1,127,339 |
| IT Services 3.5% | | |
| CCC Information Services, Inc., Term Loan, 5.25%, 12/20/19 | 385 | 387,310 |
| Ceridian Corp., Extended Term Loan, 5.95%, 5/09/17 | 1,794 | 1,813,842 |
| First Data Corp.: | | |
| 2018 Add-on Term Loan, 5.20%, 9/24/18 | 1,840 | 1,839,172 |
| Extended 2018 Term Loan B, 4.20%, 3/23/18 | 6,888 | 6,801,309 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|----------------------|--------------|
| Floating Rate Loan Interests (a) | | | |
| IT Services (concluded) | | | |
| Genpact International, Inc., Term Loan B, 4.25%, 8/30/19 | USD | 978 | \$ 987,326 |
| InfoGroup, Inc., Term Loan, 5.75%, 5/25/18 | | 674 | 610,415 |
| iPayment, Inc., Term Loan B, 5.75%, 5/08/17 | | 183 | 184,030 |
| SunGard Data Systems, Inc., Term Loan D, 4.50%, 1/31/20 | | 1,060 | 1,067,950 |
| TransUnion LLC, Term Loan B, 5.50%, 2/12/18 | | 2,762 | 2,778,438 |
| | | | 16,469,792 |
| Leisure Equipment & Products 0.6% | | | |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13 | | 508 | 507,456 |
| EB Sports Corp., Term Loan, 11.50%, 12/31/15 | | 1,837 | 1,832,127 |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19 | | 542 | 540,560 |
| | | | 2,880,143 |
| Life Sciences Tools & Services 0.1% | | | |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18 | | 499 | 504,361 |
| Machinery 2.4% | | | |
| Alliance Laundry Systems LLC: | | | |
| First Lien Term Loan, 5.50%, 12/07/18 | | 420 | 421,705 |
| Second Lien Term Loan, 9.50%, 12/10/19 | | 442 | 449,550 |
| Dematic S.A., Term Loan, 5.25%, 12/27/19 | | 1,020 | 1,026,691 |
| Intelligrated, Inc., First Lien Term Loan, 4.50%, 7/30/18 | | 798 | 798,000 |
| Rexnord Corp., Term Loan B, 4.50%, 4/02/18 | | 1,022 | 1,027,985 |
| Silver II US Holdings LLC, Term Loan, 4.75%, 12/05/19 | | 3,530 | 3,530,000 |
| Terex Corp.: | | | |
| Term Loan B, 4.50%, 4/28/17 | | 2,021 | 2,040,919 |
| Term Loan B, 5.00%, 4/28/17 | EUR | 217 | 284,435 |
| Wabash National Corp., Term Loan B, 6.00%, 5/02/19 | USD | 1,930 | 1,943,288 |
| | | | 11,522,573 |
| Media 7.8% | | | |
| Capsugel Holdings US, Inc., Term Loan B, 4.75%, 8/01/18 | | 1,352 | 1,365,739 |
| Cengage Learning Acquisitions, Inc., Tranche 1 Incremental, 7.50%, 7/03/14 | | 1,240 | 986,066 |
| Charter Communications Operating LLC: | | | |
| Extended Term Loan C, 3.46%, 9/06/16 | | 1,367 | 1,371,359 |
| Term Loan D, 4.00%, 5/15/19 | | 794 | 800,035 |
| Clear Channel Communications, Inc.: | | | |
| Term Loan B, 3.85%, 1/29/16 | | 2,493 | 2,132,372 |
| Term Loan C, 3.85%, 1/29/16 | | 589 | 497,135 |
| Cumulus Media, Inc., First Lien Term Loan, 4.50%, 9/17/18 | | 1,484 | 1,497,883 |
| EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18 | | 891 | 900,098 |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%, 7/14/17 | | 1,242 | 1,256,169 |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19 | | 1,290 | 1,300,036 |
| Gray Television, Inc., Term Loan B, 4.75%, 10/15/19 | | 1,282 | 1,294,354 |
| Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 7.25%, 6/01/18 | | 1,514 | 1,521,130 |
| Hubbard Broadcasting, Term Loan B, 4.50%, 4/28/17 | | 887 | 894,147 |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.50%, 4/02/18 | | 7,222 | 7,290,209 |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18 | | 1,683 | 1,685,390 |
| Floating Rate Loan Interests (a) | | | |
| Media (concluded) | | | |
| Kabel Deutschland GmbH, Term Loan F, 3.50%, 2/01/19 | USD | 2,265 | \$ 2,268,647 |
| Lavena Holding 4 GmbH (Prosiebensat.1 Media AG): | | | |
| Term Loan B, 2.62%, 3/06/15 | EUR | 304 | 390,366 |
| Term Loan C, 3.00%, 3/04/16 | | 608 | 784,699 |
| NEP Supershooters LP: | | | |

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| | | | |
|--|-----|-------|------------|
| First Lien Term Loan, 5.25%, 1/18/20 | USD | 600 | 601,686 |
| Second Lien Term Loan, 9.50%, 8/18/20 | | 430 | 440,750 |
| Term Loan, 4.75%, 1/18/20 | | 600 | 601,500 |
| Nielsen Finance LLC, Class C Term Loan, 3.45%, 5/02/16 | | 399 | 399,749 |
| Sinclair Television Group, Inc., Term Loan B, 4.00%, 10/28/16 | | 2,030 | 2,036,684 |
| Univision Communications, Inc., Extended Term Loan, 4.45%, 3/31/17 | | 2,124 | 2,125,932 |
| UPC Broadband Holding BV, Term Loan U, 4.12%, 12/29/17 | EUR | 196 | 255,567 |
| UPC Financing Partnership, Term Loan T, 3.70%, 12/30/16 | USD | 255 | 255,592 |
| WC Luxco Sarl, Term Loan B-3, 4.25%, 3/15/18 | | 500 | 504,374 |
| Weather Channel, Term Loan B, 4.25%, 2/13/17 | | 1,000 | 1,006,824 |
| WideOpenWest Finance LLC, First Lien Term Loan, 6.25%, 7/17/18 | | 652 | 659,383 |
| | | | 37,123,875 |
| Metals & Mining 2.7% | | | |
| Ameriforge Group, Inc.: | | | |
| First Lien Term Loan, 5.00%, 12/19/19 | | 680 | 686,378 |
| Second Lien Term Loan, 8.75%, 12/18/20 | | 335 | 339,606 |
| Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18 | | 915 | 933,708 |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17 | | 3,332 | 3,371,563 |
| Metals USA, Inc., Term Loan, 6.25%, 11/15/19 | | 820 | 821,025 |
| Novelis, Inc.: | | | |
| Incremental Term Loan B-2, 4.00%, 3/10/17 | | 1,118 | 1,119,586 |
| Term Loan, 4.00%, 3/10/17 | | 2,067 | 2,069,275 |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18 | | 485 | 486,557 |
| Walter Energy, Inc., Term Loan B, 5.75%, 4/02/18 | | 1,925 | 1,928,097 |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17 | | 1,156 | 1,192,536 |
| | | | 12,948,331 |
| Multiline Retail 1.9% | | | |
| 99¢ Only Stores, Term Loan, 5.25%, 1/11/19 | | 1,310 | 1,318,871 |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/28/20 | | 875 | 883,593 |
| BJ's Wholesale Club, Inc.: | | | |
| First Lien Term Loan, 5.75%, 9/13/19 | | 738 | 738,615 |
| Second Lien Term Loan, 9.75%, 3/26/20 | | 510 | 526,896 |
| HEMA Holding BV: | | | |
| Second Lien Term Loan, 5.12%, 1/05/17 | EUR | 2,900 | 3,437,773 |
| Term Loan B, 2.12%, 7/06/15 | | 357 | 444,197 |
| Term Loan C, 2.87%, 7/05/16 | | 357 | 446,531 |
| The Neiman Marcus Group, Inc., | | | |
| Extended Term Loan, 4.00%, 5/16/18 | USD | 1,120 | 1,119,630 |
| | | | 8,916,106 |
| Oil, Gas & Consumable Fuels 2.2% | | | |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17 | | 1,920 | 1,959,802 |
| Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18 | | 1,304 | 1,315,854 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | | 1,621 | 1,637,156 |

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|----------------------|--------------|
| Floating Rate Loan Interests (a) | | |
| Oil, Gas & Consumable Fuels (concluded) | | |
| Plains Exploration & Production, 7-Year Term Loan B, 4.00%, 11/30/19 | USD 1,605 | \$ 1,607,680 |
| Samson Investment Co., Second Lien Term Loan, 6.00%, 9/25/18 | 525 | 529,924 |
| Tesoro Corp., Term Loan B, 2.55%, 1/30/16 | 985 | 993,619 |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17 | 2,410 | 2,421,547 |
| | | 10,465,582 |
| Pharmaceuticals 2.5% | | |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17 | 1,764 | 1,767,528 |
| Par Pharmaceutical, Term Loan B, 4.25%, 9/28/19 | 3,062 | 3,058,497 |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | 2,477 | 2,490,569 |
| Quintiles Transnational Corp., Term Loan B, 4.50%, 6/08/18 | 756 | 762,094 |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18 | 322 | 325,313 |
| Valeant Pharmaceuticals International, Inc.: | | |
| Series C, Tranche B, 3.50%, 12/11/19 | 1,185 | 1,189,444 |
| Series D, Tranche B, 3.50%, 2/13/19 | 1,128 | 1,133,093 |
| Warner Chilcott Corp.: | | |
| Incremental Term Loan B-1, 4.25%, 3/15/18 | 276 | 278,613 |
| Term Loan B-1, 4.25%, 3/15/18 | 727 | 733,634 |
| Term Loan B-2, 4.25%, 3/15/18 | 225 | 226,811 |
| | | 11,965,596 |
| Professional Services 1.1% | | |
| Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19 | 1,137 | 1,147,100 |
| Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18 | 2,571 | 2,601,411 |
| ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19 | 362 | 365,117 |
| Truven Health Analytics, Inc., Term Loan B, 5.75%, 6/01/19 | 1,055 | 1,064,593 |
| | | 5,178,221 |
| Real Estate Investment Trusts (REITs) 0.5% | | |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17 | 2,493 | 2,494,285 |
| Real Estate Management & Development 0.9% | | |
| Realogy Corp.: | | |
| Extended Letter of Credit Loan, 4.46%, 10/10/16 | 348 | 348,289 |
| Extended Term Loan, 4.42%, 10/10/16 | 4,131 | 4,130,399 |
| | | 4,478,688 |
| Road & Rail 0.2% | | |
| Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18 | 819 | 820,860 |
| Semiconductors & Semiconductor Equipment 1.0% | | |
| Freescale Semiconductor, Inc.: | | |
| Extended Term Loan B, 4.45%, 12/01/16 | 1,098 | 1,098,094 |
| Term Loan, 5.00%, 3/20/20 | 1,810 | 1,802,760 |
| NXP BV: | | |
| Term Loan A-2, 5.50%, 3/03/17 | 947 | 965,302 |
| Term Loan C, 4.75%, 1/11/20 | 690 | 700,564 |
| | | 4,566,720 |
| Software 2.2% | | |
| Blackboard, Inc., Term Loan B, 6.25%, 10/04/18 | 272 | 274,342 |
| GCA Services Group, Inc.: | | |
| Second Lien Term Loan, 9.25%, 10/22/20 | 780 | 772,200 |
| Term Loan B, 5.25%, 11/01/19 | 790 | 790,000 |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18 | 3,612 | 3,650,989 |
| Floating Rate Loan Interests (a) | | Value |

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| | Par (000) | |
|---|--------------|--------------|
| Software (concluded) | | |
| Kronos, Inc., Second Lien Term Loan, 9.75%, 4/30/20 | USD 1,245 | \$ 1,294,800 |
| RP Crown Parent LLC, First Lien Term Loan, 6.75%, 12/21/18 | 870 | 882,511 |
| Sophia LP, Term Loan B, 6.25%, 7/19/18 | 1,163 | 1,171,572 |
| SS&C Technologies, Inc.: | | |
| Term Loan B-1, 5.00%, 6/07/19 | 1,440 | 1,452,219 |
| Term Loan B-2, 5.00%, 6/07/19 | 149 | 150,229 |
| | | 10,438,862 |
| Specialty Retail 4.0% | | |
| Academy Ltd., Term Loan, 4.75%, 8/03/18 | 2,071 | 2,094,496 |
| Bass Pro Group LLC, Term Loan, 4.00%, 11/20/19 | 1,110 | 1,115,972 |
| Burlington Coat Factory Warehouse Corp., Term Loan B1, 5.50%, 2/23/17 | 480 | 484,896 |
| David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19 | 1,635 | 1,651,759 |
| Equinox Fitness Clubs, First Lien Term Loan, 5.50%, 11/16/19 | 805 | 813,050 |
| The Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18 | 128 | 123,280 |
| Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/14/17 | 806 | 814,010 |
| Jo-Ann Stores, Inc., Term Loan, 4.75%, 3/16/18 | 770 | 770,645 |
| Leslie's Poolmart, Inc., Term Loan B, 2.00% 5.25%, 10/16/19 | 1,320 | 1,334,911 |
| Michaels Stores, Inc., Term Loan, 4.81%, 1/31/20 | 1,855 | 1,859,118 |
| Party City Holdings, Inc., Term Loan B, 5.75%, 7/26/19 | 2,540 | 2,538,095 |
| PETCO Animal Supplies, Inc., Term Loan, 4.00%, 11/24/17 | 2,549 | 2,567,362 |
| Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18 | 1,097 | 1,080,791 |
| Toys R Us Delaware, Inc.: | | |
| Incremental Term Loan B2, 5.25%, 5/25/18 | 684 | 649,764 |
| Term Loan B3, 5.25%, 5/25/18 | 233 | 220,409 |
| The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19 | 866 | 871,019 |
| | | 18,989,577 |
| Textiles, Apparel & Luxury Goods 0.8% | | |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18 | 1,648 | 1,664,591 |
| PVH Corp., Term Loan B, 3.25%, 12/19/19 | 1,080 | 1,088,661 |
| Wolverine Worldwide, Inc., Term Loan B, 4.00%, 7/31/19 | 863 | 869,845 |
| | | 3,623,097 |
| Thriffs & Mortgage Finance 0.3% | | |
| Insight Global, Inc., First Lien Term Loan, 6.00%, 10/31/19 | 810 | 812,025 |
| Ocwen Financial Corp., Term Loan, 5.00%, 1/22/18 | 685 | 693,275 |
| | | 1,505,300 |
| Trading Companies & Distributors 0.2% | | |
| WESCO Distribution, Inc., Term Loan B, 4.50%, 12/12/19 | 905 | 913,299 |
| Wireless Telecommunication Services 1.7% | | |
| Cricket Communications, Inc., Term Loan, 4.75%, 10/10/19 | 820 | 822,566 |
| MetroPCS Wireless, Inc., Term Loan B-3, 4.00%, 3/16/18 | 1,248 | 1,250,253 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests (a) | | |
| Wireless Telecommunication Services (concluded) | | |
| Vodafone Americas Finance 2, Inc., Term Loan, 6.88%, 8/11/15 (h) | USD 6,091 | \$ 6,213,229 |
| | | 8,286,048 |
| Total Floating Rate Loan Interests 77.6% | | 368,563,290 |

| | Beneficial Interest (000) | |
|--|---------------------------------|-----------|
| Other Interests (k) | | |
| Auto Components 0.0% | | |
| Intermet Liquidating Trust, Class A (d) | 833 | 1 |
| Chemicals 0.0% | | |
| Wellman Holdings, Inc., Litigation Trust Certificate (d) | 10,000 | 100 |
| Diversified Financial Services 0.2% | | |
| J.G.Wentworth LLC Preferred Equity Interests (d) | 1 | 808,174 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets, Inc. (d) | 1,440 | 14 |
| Household Durables 0.6% | | |
| Stanley Martin, Class B Membership Units | 2 | 3,108,150 |
| Media 0.0% | | |
| Adelphia Escrow (d) | 7,500 | 75 |
| Adelphia Preferred Escrow (d) | 5 | |
| Adelphia Recovery Trust (d) | 9,406 | 941 |
| Adelphia Recovery Trust, Series ACC-6B INT (d) | 500 | 15,000 |
| | | 16,016 |
| Total Other Interests 0.8% | | 3,932,455 |

| | Shares | Value |
|---|---------|-------------|
| Warrants (l) | | |
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. (Expires 3/31/15) | 385,026 | \$ 24,834 |
| Health Care Providers & Services 0.0% | | |
| HealthSouth Corp. (Expires 1/16/14) | 126,761 | 2 |
| Media 0.1% | | |
| Charter Communications, Inc. (issued/exercisable 11/30/09, 1 share for 1 warrant, Expires 11/30/14, Strike Price \$51.28) | 12,661 | 481,118 |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/28/17) | 1,247 | |
| HMH Holdings/EduMedia (issued/exercisable 3/09/10, 19 shares for 1 warrant, Expires 6/22/19, Strike Price \$42.27) | 2,067 | |
| Total Warrants 0.1% | | 505,954 |
| Total Long-Term Investments (Cost \$720,816,230) 146.6% | | 696,157,616 |

| | Beneficial Interest (000) | |
|---|---------------------------------|------------|
| Short-Term Securities | | |
| Bank of New York Cash Reserves, 0.01% (m) | USD 10,421 | 10,421,076 |
| | Shares | |

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| | | |
|--|---------|-----------------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (m)(n) | 157,333 | 157,333 |
| Total Short-Term Securities | | |
| (Cost \$10,578,409) 2.2% | | 10,578,409 |
| Total Investments (Cost \$731,394,639) 148.8% | | 706,736,025 |
| Liabilities in Excess of Other Assets (48.8)% | | (231,783,020) |
| | | |
| Net Assets 100.0% | | \$ 474,953,005 |

Notes to Consolidated 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:

| Counterparty | Value | Unrealized Appreciation |
|---------------------------|------------|----------------------------|
| Bank of America Corp. | \$ 15,810 | \$ 277 |
| Citigroup, Inc. | \$ 60,450 | \$ 1,065 |
| Deutsche Bank AG | \$ 477,500 | |
| Goldman Sachs Group, Inc. | \$ 719,100 | \$ 9,511 |
| Sterne Agee & Leach | \$ 173,400 | \$ 2,294 |
| Suntrust Robinson | \$ 180,540 | \$ 2,388 |

- (d) Non-income producing security.
- (e) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) All or portion of security has been pledged as collateral in connection with swaps.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (k) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (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 of the warrants, if any.
- (m) Represents the current yield as of report date.
- (n) Investments in issuers considered to be an affiliate of the Fund during the year ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at February 29, | Net Activity | Shares Held at February 28, | Income | Realized Gain |
|--|--------------------------------|-----------------|--------------------------------|----------|------------------|
| | 2012 | | 2013 | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class | | 157,333 | 157,333 | \$ 3,303 | \$ 109 |

Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased | | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation | |
|--------------------|------------|---------------|--------------|---------------------------|-------------------------|-------------------|
| USD | 3,202,952 | CAD | 3,160,000 | Deutsche Bank AG | 4/17/13 | \$ 141,877 |
| USD | 7,176,602 | GBP | 4,480,000 | Goldman Sachs Group, Inc. | 4/17/13 | 381,805 |
| USD | 641,284 | EUR | 480,000 | BNP Paribas SA | 4/23/13 | 14,390 |
| USD | 212,560 | EUR | 160,000 | BNP Paribas SA | 4/23/13 | 3,596 |
| USD | 19,136,033 | EUR | 14,361,000 | Citigroup, Inc. | 4/23/13 | 380,143 |
| USD | 183,932 | EUR | 136,000 | Citigroup, Inc. | 4/23/13 | 6,312 |
| Total | | | | | | \$ 928,123 |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|---|--------------------|----------------------|-----------------|----------------------------|------------------------------------|--|
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 491 | \$ 55,161 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD 123 | 14,923 |

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| | | | | | | | |
|---|-------|---------------------------|----------|-----|-----|-----|------------|
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 12/20/15 | CCC | USD | 442 | 74,524 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 176 | 13,714 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 176 | 13,714 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 528 | 34,028 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 118 | 6,029 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 270 | 265 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase & Co. | 3/20/16 | CCC | USD | 68 | 2,494 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 359 | 21,161 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 690 | 34,273 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 325 | (2,474) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 226 | 2,812 |
| Total | | | | | | | \$ 270,624 |

¹ Using S&P's rating of the issuer.

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

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 rating group indexes, and/or as defined by Fund management. 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 as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund 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 Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

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

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

See Notes to Consolidated Financial Statements.

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Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------------|----------------|---------------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Asset-Backed Securities | | \$ 477,500 | \$ 19,075,856 | \$ 19,553,356 |
| Common Stocks | \$ 5,175,657 | 2,002,692 | 6,100,576 | 13,278,925 |
| Corporate Bonds | | 281,756,947 | 8,566,689 | 290,323,636 |
| Floating Rate Loan Interests | | 331,428,288 | 37,135,002 | 368,563,290 |
| Other Interests | 15,941 | | 3,916,514 | 3,932,455 |
| Warrants | 481,118 | | 24,836 | 505,954 |
| Short-Term Securities | 10,578,409 | | | 10,578,409 |
| Unfunded Loan Commitments | | 237 | | 237 |
| Total | \$ 16,251,125 | \$ 615,665,664 | \$ 74,819,473 | \$ 706,736,262 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|--------------|---------|--------------|
| Derivative Financial Instruments¹ | | | | |
| Assets: | | | | |
| Credit contracts | | \$ 273,098 | | \$ 273,098 |
| Foreign currency exchange contracts | | 928,123 | | 928,123 |
| Liabilities: | | | | |
| Credit contracts | | (2,474) | | (2,474) |
| Total | | \$ 1,198,747 | | \$ 1,198,747 |

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

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|------------|------------------|---------|------------------|
| Assets: | | | | |
| Cash | \$ 126,483 | | | \$ 126,483 |
| Foreign currency at value | 262,834 | | | 262,834 |
| Liabilities: | | | | |
| Loan payable | | \$ (190,000,000) | | (190,000,000) |
| Total | \$ 389,317 | \$ (190,000,000) | | \$ (189,610,683) |

There were no transfers between Level 1 and Level 2 during the year ended February 28, 2013.

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

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A reconciliation of Level 3 investments is presented when the Fund 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 | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | Total |
|---|----------------------------|---------------------|---------------------|---------------------------------|---------------------|------------------|----------------------|
| Assets: | | | | | | | |
| Opening Balance, as of February 29, 2012 | \$ 4,989,143 | \$ 5,458,062 | \$ 9,604,936 | \$ 28,186,100 | \$ 3,410,858 | \$ 2 | \$ 51,649,101 |
| Transfers into Level 3 ² | | 1,433 | 1,373,700 | 857,207 | | | 2,232,340 |
| Transfers out of Level 3 ² | | (677,817) | | (1,663,263) | | | (2,341,080) |
| Accrued discounts/premiums | 91,872 | | 331,794 | 260,967 | | | 684,633 |
| Net realized gain (loss) | 136,043 | (2,511,903) | (1,040,677) | (1,466,897) | | (433,873) | (5,317,307) |
| Net change in unrealized appreciation/depreciation ³ | 1,248,031 | 2,891,191 | 1,645,619 | 3,611,831 | 1,254,334 | 458,707 | 11,109,713 |
| Purchases | 17,396,400 | 939,631 | 930,168 | 18,270,389 | 3,918,138 | | 41,454,726 |
| Sales | (4,785,633) | (21) | (4,278,851) | (10,921,332) | (4,666,816) | | (24,652,653) |
| Closing Balance, as of February 28, 2013 | \$ 19,075,856 | \$ 6,100,576 | \$ 8,566,689 | \$ 37,135,002 | \$ 3,916,514 | \$ 24,836 | \$ 74,819,473 |

² Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

³ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on securities still held as of February 28, 2013 was \$4,136,518.

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (concluded)****BlackRock Debt Strategies Fund, Inc. (DSU)**

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments and as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$52,220,016.

| | Value | Valuation Techniques | Unobservable Inputs ¹ | Range of Unobservable Inputs |
|------------------------------|----------------------|-----------------------------|----------------------------------|------------------------------|
| Assets: | | | | |
| Common Stocks | \$ 5,325,349 | Market Comparable Companies | EBITDA Multiple | 5.25x - 6.56x |
| Corporate Bonds | 7,132,046 | Market Comparable Companies | EBITDA Multiple | 5.25x |
| | 850,000 | Cost ² | N/A | |
| Floating Rate Loan Interests | 2,320,187 | Discounted Cash Flow | Yield | 9.50% |
| | 1,080,791 | Market Comparable Yield | | |
| | 2,750,000 | Analysis | Yield | 8.375% |
| | | Cost ² | N/A | |
| Other Interests ³ | 3,116,250 | Discounted Cash Flow | Perpetuity Growth Rate | 3.50% |
| | | | Free Cash Flow | \$25.2 - \$35.2 |
| | | | Weighted Cost of Capital | 10.90% |
| Warrants | 24,834 | Market Comparable Companies | EBITDA Multiple | 5.25x |
| Total | \$ 22,599,457 | | | |

¹ A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------------|------------------------------------|------------------------------------|
| EBITDA Multiple | Increase | Decrease |
| Free Cash Flow | Increase | Decrease |
| Perpetuity Growth Rate | Increase | Decrease |
| Weighted Cost of Capital | Decrease | Increase |
| Yield | Decrease | Increase |

² The Fund fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Fund.

³ For the year ended February 28, 2013, the valuation technique for other interests changed from a market approach to an income approach. Market information previously utilized to determine fair value under the market approach no longer applied to this investment. Therefore, the income approach is considered to be a more relevant measure of fair value for this investment.

⁴ Amount is in millions.

See Notes to Consolidated Financial Statements.

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Table of Contents**Consolidated Schedule of Investments** February 28, 2013**BlackRock Senior High Income Fund, Inc. (ARK)**

(Percentages shown are based on Net Assets)

| Asset-Backed Securities | Par (000) | Value |
|---|----------------------|--------------|
| ACAS CLO Ltd. (a)(b): | | |
| Series 2012-1A, Class D, 5.58%, 9/20/23 | USD500 | \$ 502,500 |
| Series 2013-1A, Class D, 1.00%, 4/20/25 (c) | 250 | 238,750 |
| Anchorage Capital CLO Ltd., Series 2012-1A, Class B, 3.16%, 1/13/25 (a)(b) | 750 | 719,175 |
| Apidos CDO, Series 2012-11A, Class D, 4.74%, 1/17/23 (a)(b) | 525 | 525,787 |
| Atrium CDO Corp., Series 9A, Class D, 3.96%, 2/28/24 (a)(b) | 250 | 241,750 |
| Carlyle Global Market Strategies CLO Ltd., | | |
| Series 2012-4A, Class D, 4.89%, 1/20/25 (a)(b) | 300 | 300,450 |
| CFIP CLO Ltd., Series 2013-1A, Class D, 4.04%, 4/20/24 (a)(b) | 500 | 474,750 |
| CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16 (a) | 500 | 504,100 |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, | | |
| Class C, 4.30%, 4/20/23 (a)(b) | 405 | 404,996 |
| Goldentree Loan Opportunities VI Ltd., | | |
| Series 2012-6A, Class D, 4.50%, 4/17/22 (a)(b) | 650 | 646,295 |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.71%, 9/20/22 (a)(b) | 650 | 653,900 |
| ING Investment Management (a)(b): | | |
| Series 2012-2A, Class D, 4.85%, 10/15/22 | 675 | 676,687 |
| Series 2012-4A, Class C, 4.73%, 10/15/23 | 500 | 504,160 |
| LCM IX LP, Series 9A, | | |
| Class E, 4.51%, 7/14/22 (a)(b) | 500 | 444,950 |
| LCM XI LP, Series 11A, | | |
| Class D2, 4.25%, 4/19/22 (a)(b) | 700 | 693,000 |
| Octagon Investment Partners XIV Ltd., | | |
| Series 2012-1A, Class C, 4.56%, 1/15/24 (a)(b) | 400 | 388,000 |
| OZLM Funding Ltd., Series 2013-3A, Class C, 4.15%, 1/22/25 (a)(b) | 250 | 244,425 |
| Regatta Funding LP, Series 2013-2A, Class C, 4.80%, 1/15/25 (a)(b) | 750 | 723,675 |
| Symphony CLO IX LP, Series 2012-9A, Class D, 4.55%, 4/16/22 (a)(b) | 525 | 521,693 |
| Symphony CLO X Ltd., Series 2012-10A, Class D, 5.55%, 7/23/23 (a)(b) | 650 | 658,125 |
| West CLO Ltd., Series 2012-1A, Class C, 5.05%, 10/30/23 (a)(b) | 590 | 597,617 |
| Total Asset-Backed Securities 4.3% | | 10,664,785 |

| Common Stocks (d) | Shares | |
|---|---------------|-----------|
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. | 142,466 | 93,315 |
| Containers & Packaging 0.1% | | |
| Smurfit Kappa Plc | 18,171 | 281,815 |
| Metals & Mining 0.1% | | |
| Euramax International | 935 | 193,992 |
| Paper & Forest Products 0.9% | | |
| Ainsworth Lumber Co. Ltd. | 654,905 | 2,076,644 |
| Software 0.2% | | |
| HMH Holdings/EduMedia | 30,022 | 550,388 |
| Total Common Stocks 1.3% | | 3,196,154 |

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Aerospace & Defense 0.9% | | |
| Bombardier, Inc., 4.25%, 1/15/16 (a) | USD515 | \$ 534,312 |
| DigitalGlobe, Inc., 5.25%, 2/01/21 (a) | 441 | 437,693 |
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21 | 375 | 408,750 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 692 | 763,795 |

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| | | |
|---|-------|-----------|
| | | 2,144,550 |
| Airlines 0.4% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 202 | 210,213 |
| Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18 | 780 | 778,050 |
| Delta Air Lines Pass-Through Trust, Series 2009-1, Class B, 9.75%, 2/17/16 | 82 | 91,256 |
| | | 1,079,519 |
| Auto Components 1.2% | | |
| Delphi Corp., 6.13%, 5/15/21 | 130 | 141,700 |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 110 | 114,538 |
| 8.00%, 1/15/18 | 2,065 | 2,212,131 |
| Titan International, Inc., 7.88%, 10/01/17 | 490 | 525,525 |
| Venture Holdings Co. LLC (d)(e): | | |
| 12.00%, 7/01/49 | 700 | |
| Series B, 9.50%, 7/01/05 | 3,325 | |
| | | 2,993,894 |
| Beverages 0.1% | | |
| Constellation Brands, Inc.: | | |
| 7.25%, 5/15/17 | 30 | 34,013 |
| 6.00%, 5/01/22 | 172 | 187,910 |
| | | 221,923 |
| Building Products 0.5% | | |
| Building Materials Corp. of America (a): | | |
| 7.00%, 2/15/20 | 485 | 525,012 |
| 6.75%, 5/01/21 | 410 | 440,238 |
| Momentive Performance Materials, Inc., | | |
| 8.88%, 10/15/20 | 195 | 200,119 |
| | | 1,165,369 |
| Capital Markets 0.1% | | |
| KKR Group Finance Co. LLC, 6.38%, 9/29/20 (a) | 180 | 211,676 |
| Chemicals 4.2% | | |
| Ashland, Inc., 3.88%, 4/15/18 (a) | 255 | 258,825 |
| Axiall Corp., 4.88%, 5/15/23 (a) | 148 | 150,220 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 581 | 634,743 |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (a) | 312 | 317,070 |
| GEO Specialty Chemicals, Inc., | | |
| 7.50%, 3/31/15 (a)(f)(g) | 1,869 | 3,195,345 |
| Huntsman International LLC: | | |
| 4.88%, 11/15/20 | 237 | 233,445 |
| 4.88%, 11/15/20 | 422 | 417,780 |
| 8.63%, 3/15/21 | 395 | 446,350 |
| INEOS Finance Plc, 7.50%, 5/01/20 (a) | 125 | 134,688 |
| LyondellBasell Industries NV: | | |
| 5.00%, 4/15/19 | 615 | 685,725 |
| 6.00%, 11/15/21 | 398 | 467,650 |
| 5.75%, 4/15/24 | 935 | 1,086,937 |
| NOVA Chemicals Corp., 8.63%, 11/01/19 | 300 | 340,500 |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a) | 120 | 127,200 |
| Orion Engineered Carbons Bondco GmbH, | | |
| 9.63%, 6/15/18 (a) | 400 | 440,000 |
| Rockwood Specialties Group, Inc., | | |
| 4.63%, 10/15/20 | 495 | 512,325 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Chemicals (concluded) | | |
| Tronox Finance LLC, 6.38%, 8/15/20 (a) | USD829 | \$ 823,819 |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV, 7.38%, 5/01/21 (a) | 151 | 156,285 |
| | | 10,428,907 |
| Commercial Banks 0.6% | | |
| CIT Group, Inc.: | | |
| 5.00%, 5/15/17 | 330 | 351,037 |
| 6.63%, 4/01/18 (a) | 85 | 96,475 |
| 5.50%, 2/15/19 (a) | 760 | 826,500 |
| 5.00%, 8/15/22 | 200 | 214,000 |
| | | 1,488,012 |
| Commercial Services & Supplies 1.6% | | |
| ARAMARK Holdings Corp. (a): | | |
| 8.63%, 5/01/16 (f) | 330 | 336,603 |
| 5.75%, 3/15/20 (c) | 547 | 557,940 |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a) | 472 | 495,466 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a) | 25 | 26,875 |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18 (a) | 140 | 141,750 |
| Clean Harbors, Inc., 5.25%, 8/01/20 | 226 | 232,780 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 420 | 455,421 |
| The Geo Group, Inc., 7.75%, 10/15/17 | 450 | 482,625 |
| HDTFS, Inc. (a): | | |
| 5.88%, 10/15/20 | 235 | 244,400 |
| 6.25%, 10/15/22 | 225 | 241,875 |
| Mead Products LLC/ACCO Brands Corp., | | |
| 6.75%, 4/30/20 (a) | 113 | 119,639 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | 335 | 372,687 |
| West Corp., 8.63%, 10/01/18 | 165 | 175,725 |
| | | 3,883,786 |
| Communications Equipment 0.6% | | |
| Avaya, Inc., 7.00%, 4/01/19 (a) | 264 | 252,120 |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20 | 1,110 | 1,240,425 |
| | | 1,492,545 |
| Construction Materials 0.8% | | |
| HD Supply, Inc., 8.13%, 4/15/19 (a) | 1,695 | 1,908,994 |
| Consumer Finance 0.2% | | |
| Ford Motor Credit Co. LLC: | | |
| 7.00%, 4/15/15 | 140 | 154,752 |
| 6.63%, 8/15/17 | 300 | 350,340 |
| | | 505,092 |
| Containers & Packaging 1.5% | | |
| Ardagh Packaging Finance Plc (a): | | |
| 7.38%, 10/15/17 | 787 | 856,846 |
| 9.13%, 10/15/20 | 300 | 327,000 |
| 7.00%, 11/15/20 | 367 | 367,918 |
| 4.88%, 11/15/22 | 200 | 197,000 |
| Ball Corp., 6.75%, 9/15/20 | 325 | 358,313 |
| Berry Plastics Corp., 8.25%, 11/15/15 | 540 | 562,788 |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | 571 | 622,390 |

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| | | |
|---|--------------|--------------|
| Crown Americas LLC/Crown Americas Capital Corp. IV, 4.50%, 1/15/23 (a) | 393 | 384,157 |
| | | 3,676,412 |
| Distributors 0.1% | | |
| VWR Funding, Inc., 7.25%, 9/15/17 (a) | 323 | 339,958 |
| | Par | Value |
| | (000) | |
| Corporate Bonds | | |
| Diversified Consumer Services 0.1% | | |
| 313 Group, Inc., 6.38%, 12/01/19 (a) | USD211 | \$ 205,725 |
| ServiceMaster Co., 8.00%, 2/15/20 | 125 | 132,500 |
| | | 338,225 |
| Diversified Financial Services 3.5% | | |
| Aircastle Ltd., 6.25%, 12/01/19 | 136 | 146,540 |
| Ally Financial, Inc.: | | |
| 8.30%, 2/12/15 | 2,420 | 2,692,250 |
| 8.00%, 11/01/31 | 1,060 | 1,331,625 |
| CNG Holdings, Inc., 9.38%, 5/15/20 (a) | 260 | 256,425 |
| DPL, Inc.: | | |
| 6.50%, 10/15/16 | 26 | 27,300 |
| 7.25%, 10/15/21 | 69 | 74,002 |
| Reynolds Group Issuer, Inc.: | | |
| 7.13%, 4/15/19 | 560 | 601,300 |
| 9.88%, 8/15/19 | 760 | 832,200 |
| 5.75%, 10/15/20 | 1,810 | 1,868,825 |
| 6.88%, 2/15/21 | 400 | 427,000 |
| WMG Acquisition Corp., 6.00%, 1/15/21 (a) | 348 | 360,180 |
| | | 8,617,647 |
| Diversified Telecommunication Services 1.4% | | |
| Level 3 Financing, Inc.: | | |
| 8.13%, 7/01/19 | 2,768 | 3,017,120 |
| 7.00%, 6/01/20 (a) | 184 | 193,200 |
| Lynx I Corp., 5.38%, 4/15/21 (a) | 240 | 246,000 |
| | | 3,456,320 |
| Electric Utilities 0.1% | | |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17 | 248 | 275,208 |
| Electrical Equipment 0.2% | | |
| Belden, Inc., 5.50%, 9/01/22 (a) | 190 | 194,750 |
| General Cable Corp., 5.75%, 10/01/22 (a) | 350 | 358,750 |
| | | 553,500 |
| Energy Equipment & Services 3.1% | | |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a) | 920 | 924,600 |
| Compagnie Générale de Géophysique, Veritas, 6.50%, 6/01/21 | 1,105 | 1,149,200 |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (a) | 441 | 456,435 |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22 | 70 | 72,275 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 | 140 | 147,000 |
| MEG Energy Corp. (a): | | |
| 6.50%, 3/15/21 | 585 | 617,175 |
| 6.38%, 1/30/23 | 415 | 429,525 |
| Oil States International, Inc.: | | |
| 6.50%, 6/01/19 | 270 | 288,900 |
| 5.13%, 1/15/23 (a) | 339 | 339,000 |
| Peabody Energy Corp.: | | |
| 6.00%, 11/15/18 | 179 | 190,187 |
| 6.25%, 11/15/21 | 911 | 947,440 |
| Precision Drilling Corp.: | | |
| 6.63%, 11/15/20 | 65 | 69,063 |
| 6.50%, 12/15/21 | 445 | 471,700 |
| Rain CII Carbon LLC/CII Carbon Corp., | | |
| 8.25%, 1/15/21 (a) | 200 | 210,000 |
| Seadrill Ltd., 5.63%, 9/15/17 (a) | 963 | 975,037 |
| Tervita Corp., 8.00%, 11/15/18 (a) | 311 | 320,330 |

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| | | |
|--|-------------|-----------|
| | | 7,607,867 |
| Food Products | 0.3% | |
| Post Holdings, Inc., 7.38%, 2/15/22 | 295 | 318,600 |
| Smithfield Foods, Inc., 6.63%, 8/15/22 | 295 | 320,813 |
| | | 639,413 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Health Care Equipment & Supplies 1.2% | | |
| Biomet, Inc. (a): | | |
| 6.50%, 8/01/20 | USD640 | \$ 676,800 |
| 6.50%, 10/01/20 | 1,362 | 1,402,860 |
| DJO Finance LLC: | | |
| 8.75%, 3/15/18 | 185 | 204,194 |
| 7.75%, 4/15/18 | 30 | 29,850 |
| Fresenius Medical Care US Finance II, Inc., | | |
| 5.63%, 7/31/19 (a) | 360 | 389,700 |
| Teleflex, Inc., 6.88%, 6/01/19 | 250 | 271,875 |
| | | 2,975,279 |
| Health Care Providers & Services 3.8% | | |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | 365 | 391,462 |
| CHS/Community Health Systems, Inc.: | | |
| 5.13%, 8/15/18 | 185 | 194,481 |
| 7.13%, 7/15/20 | 176 | 189,640 |
| DaVita HealthCare Partners, Inc., 5.75%, 8/15/22 | 347 | 361,747 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 25 | 27,688 |
| 6.50%, 2/15/20 | 970 | 1,086,400 |
| 7.88%, 2/15/20 | 1,349 | 1,495,704 |
| 5.88%, 3/15/22 | 630 | 678,825 |
| 4.75%, 5/01/23 | 1,017 | 1,014,457 |
| Hologic, Inc., 6.25%, 8/01/20 (a) | 716 | 755,380 |
| inVentiv Health, Inc., 9.00%, 1/15/18 (a) | 270 | 281,475 |
| Omnicare, Inc., 7.75%, 6/01/20 | 695 | 771,450 |
| Tenet Healthcare Corp.: | | |
| 6.25%, 11/01/18 | 269 | 297,918 |
| 8.88%, 7/01/19 | 1,015 | 1,146,950 |
| 4.50%, 4/01/21 (a) | 300 | 295,875 |
| Vanguard Health Holding Co. II LLC, | | |
| 7.75%, 2/01/19 (a) | 300 | 321,375 |
| | | 9,310,827 |
| Health Care Technology 0.8% | | |
| IMS Health, Inc., 12.50%, 3/01/18 (a) | 1,730 | 2,084,650 |
| Hotels, Restaurants & Leisure 1.8% | | |
| Caesars Entertainment Operating Co., Inc., | | |
| 9.00%, 2/15/20 (a) | 645 | 636,937 |
| Caesars Operating Escrow LLC: | | |
| 8.50%, 2/15/20 | 675 | 658,125 |
| 9.00%, 2/15/20 (a) | 117 | 115,538 |
| 9.00%, 2/15/20 (a) | 613 | 605,338 |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (a) | 200 | 209,000 |
| Choice Hotels International, Inc., 5.75%, 7/01/22 | 90 | 99,900 |
| Diamond Resorts Corp., 12.00%, 8/15/18 | 540 | 594,000 |
| Little Traverse Bay Bands of Odawa Indians, | | |
| 9.00%, 8/31/20 (a) | 282 | 270,720 |
| MCE Finance Ltd., 5.00%, 2/15/21 (a) | 352 | 352,000 |
| Regal Entertainment Group, 5.75%, 2/01/25 | 101 | 98,980 |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (a) | 218 | 213,640 |
| Tropicana Entertainment LLC, | | |
| 9.63%, 12/15/14 (d)(e) | 220 | |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 | 468 | 491,985 |

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| | | | |
|---|--------------|----|--------------|
| | | | 4,346,163 |
| Household Durables 1.5% | | | |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (a) | 190 | | 190,950 |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 | 340 | | 363,375 |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (a) | 345 | | 365,700 |
| | Par | | |
| | (000) | | Value |
| Corporate Bonds | | | |
| Household Durables (concluded) | | | |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (a) | USD 795 | \$ | 874,500 |
| Libbey Glass, Inc., 6.88%, 5/15/20 | 90 | | 96,525 |
| Standard Pacific Corp., 8.38%, 1/15/21 | 1,120 | | 1,330,000 |
| United Rentals North America, Inc., 5.75%, 7/15/18 | 462 | | 497,227 |
| | | | 3,718,277 |
| Household Products 0.1% | | | |
| Spectrum Brands Escrow Corp. (a): | | | |
| 6.38%, 11/15/20 | 90 | | 95,738 |
| 6.63%, 11/15/22 | 105 | | 113,137 |
| | | | 208,875 |
| Independent Power Producers & Energy Traders 4.3% | | | |
| The AES Corp.: | | | |
| 7.75%, 10/15/15 | 155 | | 173,600 |
| 9.75%, 4/15/16 | 674 | | 802,060 |
| 7.38%, 7/01/21 | 70 | | 79,100 |
| Calpine Corp. (a): | | | |
| 7.25%, 10/15/17 | 302 | | 321,252 |
| 7.50%, 2/15/21 | 170 | | 184,875 |
| Energy Future Intermediate Holding Co. LLC: | | | |
| 6.88%, 8/15/17 (a) | 380 | | 400,900 |
| 10.00%, 12/01/20 | 4,160 | | 4,721,600 |
| 10.00%, 12/01/20 (a) | 630 | | 710,325 |
| GenOn REMA LLC: | | | |
| Series B, 9.24%, 7/02/17 | 242 | | 267,080 |
| Series C, 9.68%, 7/02/26 | 240 | | 261,600 |
| Laredo Petroleum, Inc.: | | | |
| 9.50%, 2/15/19 | 495 | | 559,350 |
| 7.38%, 5/01/22 | 185 | | 200,725 |
| NRG Energy, Inc.: | | | |
| 7.63%, 1/15/18 | 747 | | 856,249 |
| 6.63%, 3/15/23 (a) | 765 | | 814,725 |
| QEP Resources, Inc., 5.38%, 10/01/22 | 178 | | 186,455 |
| | | | 10,539,896 |
| Insurance 0.1% | | | |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (a) | 114 | | 120,840 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a) | 220 | | 217,800 |
| | | | 338,640 |
| Internet Software & Services 0.0% | | | |
| Equinix, Inc., 4.88%, 4/01/20 | 52 | | 52,000 |
| IT Services 1.0% | | | |
| Ceridian Corp., 8.88%, 7/15/19 (a) | 520 | | 586,300 |
| First Data Corp.: | | | |
| 7.38%, 6/15/19 (a) | 445 | | 467,806 |
| 6.75%, 11/01/20 (a) | 565 | | 579,831 |
| 8.25%, 1/15/21 (a) | 270 | | 276,075 |
| 12.63%, 1/15/21 | 288 | | 307,080 |
| WEX, Inc., 4.75%, 2/01/23 (a) | 206 | | 199,305 |
| | | | 2,416,397 |
| Machinery 1.1% | | | |
| Terex Corp., 6.00%, 5/15/21 | 400 | | 415,000 |

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| | | |
|--|-------|-----------|
| Trinseo Materials Operating SCA, 8.75%, 2/01/19 (a) | 216 | 215,190 |
| UR Merger Sub Corp.: 7.38%, 5/15/20 | 300 | 328,500 |
| 7.63%, 4/15/22 | 1,656 | 1,834,020 |
| | | 2,792,710 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| Corporate Bonds | | Par (000) | Value |
|---|-----|--------------|------------|
| Media 4.2% | | | |
| AMC Networks, Inc.: | | | |
| 7.75%, 7/15/21 | USD | 320 | \$ 363,200 |
| 4.75%, 12/15/22 | | 100 | 99,625 |
| Cengage Learning Acquisitions, Inc., | | | |
| 11.50%, 4/15/20 (a) | | 254 | 200,660 |
| Checkout Holding Corp., 11.49%, 11/15/15 (a)(h) | | 366 | 270,383 |
| Cinemark USA, Inc.: | | | |
| 8.63%, 6/15/19 | | 195 | 216,206 |
| 5.13%, 12/15/22 (a) | | 78 | 78,390 |
| Clear Channel Worldwide Holdings, Inc.: | | | |
| 6.50%, 11/15/22 (a) | | 360 | 376,200 |
| 6.50%, 11/15/22 (a) | | 972 | 1,023,030 |
| Series B, 7.63%, 3/15/20 | | 635 | 657,225 |
| DISH DBS Corp., 5.88%, 7/15/22 | | 700 | 738,500 |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 | | 1,230 | 1,319,175 |
| Interactive Data Corp., 10.25%, 8/01/18 | | 810 | 918,337 |
| The McClatchy Co., 9.00%, 12/15/22 (a) | | 120 | 126,900 |
| NAI Entertainment Holdings LLC, | | | |
| 8.25%, 12/15/17 (a) | | 476 | 518,840 |
| Nielsen Finance LLC, 7.75%, 10/15/18 | | 341 | 377,657 |
| ProQuest LLC, 9.00%, 10/15/18 (a) | | 75 | 74,438 |
| Sterling Entertainment Corp., 10.00%, 12/15/19 | | 450 | 450,000 |
| Unitymedia Hessen GmbH & Co. KG: | | | |
| 7.50%, 3/15/19 | | 540 | 588,600 |
| 5.50%, 1/15/23 (a) | | 440 | 444,400 |
| Univision Communications, Inc., | | | |
| 6.75%, 9/15/22 (a) | | 133 | 143,640 |
| Virgin Media Secured Finance Plc, | | | |
| 6.50%, 1/15/18 | | 1,250 | 1,334,375 |
| | | | 10,319,781 |
| Metals & Mining 2.4% | | | |
| ArcelorMittal: | | | |
| 9.50%, 2/15/15 | | 715 | 807,056 |
| 4.25%, 8/05/15 | | 367 | 379,971 |
| 5.00%, 2/25/17 | | 145 | 150,873 |
| 6.13%, 6/01/18 | | 186 | 200,563 |
| 6.75%, 2/25/22 | | 150 | 165,166 |
| FMG Resources August 2006 Property Ltd., | | | |
| 6.38%, 2/01/16 (a) | | 235 | 244,988 |
| Global Brass and Copper, Inc., | | | |
| 9.50%, 6/01/19 (a) | | 255 | 277,312 |
| Kaiser Aluminum Corp., 8.25%, 6/01/20 | | 190 | 212,325 |
| New Gold, Inc. (a): | | | |
| 7.00%, 4/15/20 | | 65 | 70,200 |
| 6.25%, 11/15/22 | | 255 | 268,388 |
| Novelis, Inc., 8.75%, 12/15/20 | | 2,328 | 2,607,360 |
| Perstorp Holding AB, 8.75%, 5/15/17 (a) | | 205 | 215,250 |
| RathGibson, Inc., 11.25%, 2/15/14 (d)(e) | | 2,175 | |
| Steel Dynamics, Inc., 6.38%, 8/15/22 (a) | | 205 | 219,350 |
| | | | 5,818,802 |
| Multiline Retail 0.3% | | | |
| Dollar General Corp., 4.13%, 7/15/17 | | 127 | 134,302 |
| Dufry Finance SCA, 5.50%, 10/15/20 (a) | | 642 | 669,285 |

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| | | | 803,587 |
|---|-------------|--------------|--------------|
| Oil, Gas & Consumable Fuels | 7.4% | | |
| Access Midstream Partners LP: | | | |
| 6.13%, 7/15/22 | | 415 | 445,087 |
| 4.88%, 5/15/23 | | 190 | 188,100 |
| Chaparral Energy, Inc., 7.63%, 11/15/22 | | 115 | 124,775 |
| Chesapeake Energy Corp.: | | | |
| 7.25%, 12/15/18 | | 25 | 28,250 |
| 6.63%, 8/15/20 | | 265 | 290,175 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (concluded) | | | |
| Chesapeake Energy Corp. (concluded): | | | |
| 6.88%, 11/15/20 | USD | 150 | \$ 165,000 |
| 6.13%, 2/15/21 | | 235 | 249,100 |
| Concho Resources, Inc.: | | | |
| 6.50%, 1/15/22 | | 219 | 238,710 |
| 5.50%, 10/01/22 | | 263 | 273,849 |
| CONSOL Energy, Inc.: | | | |
| 8.25%, 4/01/20 | | 975 | 1,074,937 |
| 6.38%, 3/01/21 | | 230 | 236,900 |
| Crosstex Energy LP, 8.88%, 2/15/18 | | 195 | 210,113 |
| Denbury Resources, Inc., 4.63%, 7/15/23 | | 373 | 366,006 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 | | 665 | 713,212 |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19 | | 235 | 256,150 |
| Halcon Resources Corp., 8.88%, 5/15/21 (a) | | 351 | 377,325 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (a) | | 470 | 518,175 |
| Holly Energy Partners LP, 6.50%, 3/01/20 (a) | | 80 | 85,600 |
| Kinder Morgan Finance Co. LLC, | | | |
| 6.00%, 1/15/18 (a) | | 480 | 529,759 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 | | 320 | 360,000 |
| Linn Energy LLC: | | | |
| 6.25%, 11/01/19 (a) | | 1,170 | 1,193,400 |
| 8.63%, 4/15/20 | | 95 | 105,094 |
| 7.75%, 2/01/21 | | 370 | 399,600 |
| MarkWest Energy Partners LP: | | | |
| 5.50%, 2/15/23 | | 115 | 120,750 |
| 4.50%, 7/15/23 | | 206 | 201,365 |
| Newfield Exploration Co., 5.63%, 7/01/24 | | 525 | 548,625 |
| Northern Oil and Gas, Inc., 8.00%, 6/01/20 | | 265 | 276,925 |
| Oasis Petroleum, Inc.: | | | |
| 7.25%, 2/01/19 | | 135 | 145,800 |
| 6.50%, 11/01/21 | | 155 | 167,400 |
| Offshore Group Investments Ltd., | | | |
| 11.50%, 8/01/15 | | 390 | 425,100 |
| OGX Petroleo e Gas Participacoes SA, | | | |
| 8.38%, 4/01/22 (a) | | 295 | 252,225 |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (a) | | 174 | 189,225 |
| PDC Energy, Inc., 7.75%, 10/15/22 (a) | | 180 | 190,350 |
| Pioneer Natural Resources Co., 7.20%, 1/15/28 | | 570 | 737,749 |
| Plains Exploration & Production Co., | | | |
| 6.88%, 2/15/23 | | 445 | 512,862 |
| Range Resources Corp.: | | | |
| 6.75%, 8/01/20 | | 221 | 241,443 |
| 5.75%, 6/01/21 | | 668 | 711,420 |
| 5.00%, 8/15/22 | | 275 | 281,188 |
| Sabine Pass Liquefaction LLC, 5.63%, 2/01/21 (a) | | 1,355 | 1,399,037 |
| Sabine Pass Liquefied Natural Gas LP: | | | |
| 7.50%, 11/30/16 | | 1,490 | 1,646,450 |
| 6.50%, 11/01/20 (a) | | 275 | 290,125 |
| SandRidge Energy, Inc., 7.50%, 2/15/23 | | 593 | 621,167 |
| SESI LLC: | | | |
| 6.38%, 5/01/19 | | 280 | 300,300 |
| 7.13%, 12/15/21 | | 275 | 304,563 |
| SM Energy Co.: | | | |
| 6.50%, 11/15/21 | | 225 | 244,688 |
| 6.50%, 1/01/23 | | 105 | 113,663 |

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| | | |
|---|-----|------------|
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (a) | 66 | 68,805 |
| | | 18,420,542 |
| Paper & Forest Products 0.3% | | |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (a) | 300 | 323,250 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a) | 145 | 152,250 |
| Sappi Papier Holding GmbH, 8.38%, 6/15/19 (a) | 200 | 224,000 |
| | | 699,500 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|---|--------------|-----------|
| Pharmaceuticals 0.4% | | |
| Mylan, Inc., 6.00%, 11/15/18 (a) | USD 40 | \$ 44,055 |
| Valeant Pharmaceuticals International (a): | | |
| 6.50%, 7/15/16 | 181 | 190,163 |
| 6.38%, 10/15/20 | 340 | 365,925 |
| 7.25%, 7/15/22 | 350 | 386,312 |
| | | 986,455 |
| Real Estate Investment Trusts (REITs) 0.4% | | |
| Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (a) | 236 | 237,180 |
| Felcor Lodging LP: | | |
| 6.75%, 6/01/19 | 690 | 741,319 |
| 5.63%, 3/01/23 (a) | 109 | 109,681 |
| | | 1,088,180 |
| Real Estate Management & Development 1.0% | | |
| Mattamy Group Corp., 6.50%, 11/15/20 (a) | 315 | 313,819 |
| Realogy Corp., 7.63%, 1/15/20 (a) | 1,130 | 1,274,075 |
| Shea Homes LP, 8.63%, 5/15/19 | 790 | 876,900 |
| | | 2,464,794 |
| Road & Rail 1.2% | | |
| The Hertz Corp.: | | |
| 7.50%, 10/15/18 | 780 | 852,150 |
| 6.75%, 4/15/19 (a) | 150 | 161,625 |
| 7.38%, 1/15/21 | 1,742 | 1,920,555 |
| | | 2,934,330 |
| Semiconductors & Semiconductor Equipment 0.1% | | |
| NXP BV/NXP Funding LLC, | | |
| 5.75%, 2/15/21 (a) | 275 | 281,188 |
| Software 0.8% | | |
| IAC/InterActiveCorp, 4.75%, 12/15/22 (a) | 196 | 191,590 |
| Infor US, Inc., 9.38%, 4/01/19 | 1,295 | 1,453,637 |
| Nuance Communications, Inc., | | |
| 5.38%, 8/15/20 (a) | 385 | 389,813 |
| | | 2,035,040 |
| Specialty Retail 0.5% | | |
| Claire's Stores, Inc., 9.00%, 3/15/19 (a) | 386 | 428,460 |
| Penske Automotive Group, Inc., | | |
| 5.75%, 10/01/22 (a) | 260 | 272,025 |
| QVC, Inc., 5.13%, 7/02/22 | 8 | 8,459 |
| Sally Holdings LLC: | | |
| 6.88%, 11/15/19 | 350 | 390,250 |
| 5.75%, 6/01/22 | 160 | 169,000 |
| | | 1,268,194 |
| Textiles, Apparel & Luxury Goods 0.2% | | |
| Levi Strauss & Co., 6.88%, 5/01/22 | 140 | 152,075 |
| PVH Corp., 7.75%, 11/15/23 | 215 | 263,936 |
| | | 416,011 |
| Trading Companies & Distributors 0.4% | | |

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Doric Nimrod Air Finance Alpha Ltd.,

Series 2012-1 (a):

| | | |
|--------------------------|-----|---------|
| Class A, 5.13%, 11/30/24 | 440 | 473,000 |
| Class B, 6.50%, 5/30/21 | 495 | 523,293 |

996,293

Transportation Infrastructure 0.1%

| | | |
|---------------------------------|-----|---------|
| Aguila 3 SA, 7.88%, 1/31/18 (a) | 176 | 186,560 |
|---------------------------------|-----|---------|

Wireless Telecommunication Services 3.5%

| | | |
|---|-----|---------|
| Crown Castle International Corp., 5.25%, 1/15/23 (a) | 615 | 630,375 |
|---|-----|---------|

Par

(000)

Value

Corporate Bonds

Wireless Telecommunication Services (concluded)

| | | |
|--|---------|------------|
| Digicel Group Ltd. (a): | | |
| 12.00%, 4/01/14 | USD 800 | \$ 852,000 |
| 8.25%, 9/01/17 | 270 | 284,850 |
| 6.00%, 4/15/21 (c) | 480 | 478,800 |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20 | 404 | 422,685 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,580 | 1,595,800 |
| Sprint Nextel Corp. (a): | | |
| 9.00%, 11/15/18 | 2,081 | 2,580,440 |
| 7.00%, 3/01/20 | 1,605 | 1,877,850 |

8,722,800

| | | |
|------------------------------------|--|--------------------|
| Total Corporate Bonds 60.4% | | 149,254,588 |
|------------------------------------|--|--------------------|

Floating Rate Loan Interests (b)

Aerospace & Defense 0.3%

| | | |
|---|-----|---------|
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/24/20 | 485 | 486,969 |
| Transdigm, Inc., Term Loan C, 4.00%, 2/28/20 | 245 | 245,461 |

732,430

Airlines 0.9%

| | | |
|--|-----|-----------|
| Delta Air Lines, Inc., Term Loan B, 4.50%, 4/20/17 | 999 | 1,007,449 |
| Northwest Airlines, Inc.: | | |
| Term Loan, 2.32%, 3/10/17 | 127 | 118,237 |
| Term Loan, 2.32%, 3/10/17 | 230 | 214,130 |
| Term Loan, 1.70%, 9/10/18 | 104 | 92,851 |
| Term Loan, 1.70%, 9/10/18 | 104 | 92,851 |
| US Airways Group, Inc., Term Loan, 2.70%, 3/21/14 | 770 | 767,798 |

2,293,316

Auto Components 2.4%

| | | |
|---|-------|-----------|
| Autoparts Holdings Ltd.: | | |
| First Lien Term Loan, 6.50%, 7/28/17 | 854 | 859,168 |
| Second Lien Term Loan, 10.50%, 1/29/18 | 900 | 913,500 |
| Federal-Mogul Corp.: | | |
| Term Loan B, 2.14%, 12/29/14 | 1,509 | 1,403,729 |
| Term Loan C, 2.14%, 12/28/15 | 518 | 481,456 |
| FleetPride Corp., First Lien Term Loan, 5.25%, 11/20/19 | 340 | 343,930 |
| The Goodyear Tire & Rubber Co., Second Lien Term Loan, 4.75%, 4/30/19 | 1,110 | 1,114,163 |
| Schaeffler AG, Term Loan B2, 6.00%, 1/27/17 | 395 | 394,901 |
| Transtar Holding Co., First Lien Term Loan, 5.50%, 10/09/18 | 479 | 483,588 |

5,994,435

Biotechnology 0.2%

| | | |
|--|-----|---------|
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17 | 564 | 567,237 |
|--|-----|---------|

Building Products 0.8%

| | | |
|--|-----|---------|
| Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18 | 585 | 585,373 |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19 | 763 | 768,811 |
| Wilsonart International Holdings LLC, Term Loan B, 5.50%, 10/31/19 | 750 | 757,875 |

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| | | |
|--|-------------|-----------|
| | | 2,112,059 |
| Capital Markets | 1.0% | |
| American Capital Holdings, Inc., Term Loan, 5.50%, 8/22/16 | 541 | 546,410 |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17 | 351 | 352,414 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests (b) | | |
| Capital Markets (concluded) | | |
| Nuveen Investments, Inc.: | | |
| Extended First Lien Term Loan, 5.70% 5.81%, 5/13/17 | USD371 | \$ 374,979 |
| Extended Term Loan, 5.70% 5.81%, 5/12/17 | 1,004 | 1,018,186 |
| Incremental Term Loan, 7.25%, 5/13/17 | 215 | 216,075 |
| | | 2,508,064 |
| Chemicals 2.8% | | |
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17 | 1,334 | 1,320,585 |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16 | 800 | 806,000 |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19 | 423 | 426,686 |
| General Chemical Corp., Term Loan, 5.00% 5.75%, 10/06/15 | 467 | 468,611 |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18 | 747 | 762,341 |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17 | 919 | 916,515 |
| Tronox Pigments (Netherlands) BV, Delayed Draw Term Loan B, 4.25%, 2/08/18 | 340 | 339,630 |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17 | 296 | 294,336 |
| US Coatings Acquisition, Inc., Term Loan, 4.75%, 2/03/20 | 1,480 | 1,497,967 |
| | | 6,832,671 |
| Commercial Banks 0.3% | | |
| Everest Acquisition LLC, Term Loan B1, 5.00%, 5/24/18 | 645 | 650,411 |
| Commercial Services & Supplies 3.0% | | |
| ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19 | 503 | 507,055 |
| ADS Waste Holdings, Inc., Term Loan B, 5.25%, 10/09/19 | 1,235 | 1,236,161 |
| Altegrity, Inc.: | | |
| 7.75%, 2/20/15 | 564 | 563,576 |
| Term Loan, 3.20%, 2/21/15 | 365 | 352,225 |
| AWAS Finance Luxembourg 2012 SA, Term Loan, 4.75%, 7/16/18 | 157 | 159,499 |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16 | 520 | 523,982 |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16 | 1,075 | 1,081,267 |
| Garda World Security Corp., Term Loan B, 4.50%, 11/13/19 | 304 | 307,091 |
| KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17 | 1,231 | 1,243,563 |
| Progressive Waste Solutions Ltd., Term Loan B, 3.50%, 10/24/19 | 295 | 297,581 |
| Protection One, Inc., Term Loan, 5.75%, 3/21/19 | 506 | 510,604 |
| WEST Corp., Term Loan B8, 5.75%, 2/07/18 | 650 | 651,898 |
| | | 7,434,502 |
| Communications Equipment 2.5% | | |
| Alcatel-Lucent: | | |
| Term Loan B, 6.25%, 7/29/16 | 415 | 419,337 |
| Term Loan C, 7.25%, 1/31/19 | 2,045 | 2,067,495 |
| Avaya, Inc.: | | |
| Extended Term Loan B3, 4.79%, 10/26/17 | 183 | 170,598 |
| Term Loan B5, 8.00%, 3/30/18 | 144 | 144,333 |

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| | | |
|---|------------------|--------------|
| CommScope, Inc., Term Loan, 4.25%, 1/12/18 | 821 | 824,320 |
| Riverbed Technology, Inc., Term Loan, 4.00%, 12/18/19 | 400 | 404,500 |
| Floating Rate Loan Interests (b) | Par (000) | Value |
| Communications Equipment (concluded) | | |
| Zayo Group, LLC Refinancing, Term Loan B, 5.25%, 7/12/19 | USD 2,154 | \$ 2,161,176 |
| | | 6,191,759 |
| Construction & Engineering 1.1% | | |
| BakerCorp International, Inc., Term Loan, 5.00%, 2/14/20 | 675 | 676,907 |
| Centaur LLC, First Lien Term Loan, 8.75%, 2/15/19 | 540 | 540,340 |
| Safway Services LLC, First Out Term Loan, 9.00%, 12/16/17 | 1,500 | 1,500,000 |
| | | 2,717,247 |
| Construction Materials 1.2% | | |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17 | 3,036 | 3,044,298 |
| Consumer Finance 0.5% | | |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17 | 1,230 | 1,234,354 |
| Containers & Packaging 0.1% | | |
| Sealed Air Corp., Term Loan, 4.00%, 10/03/18 | 360 | 363,642 |
| Distributors 0.2% | | |
| Crossmark Holdings, Inc., Term Loan, 4.50%, 1/31/20 | 225 | 225,095 |
| VWR Funding, Inc., Extended Term Loan B, 4.54%, 4/03/17 | 265 | 266,905 |
| | | 492,000 |
| Diversified Consumer Services 1.9% | | |
| Bright Horizons Family, Inc., Term Loan B, 4.00%, 1/16/20 | 540 | 542,700 |
| Coinmach Service Corp., Term Loan B, 3.21%, 11/20/14 | 2,143 | 2,094,643 |
| Education Management LLC, Term Loan C3, 8.25%, 3/29/18 | 206 | 176,982 |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18 | 707 | 711,043 |
| ServiceMaster Co., New Term Loan, 4.25%, 4/01/17 | 820 | 817,218 |
| Weight Watchers International, Inc., Term Loan F, 4.00%, 3/15/19 | 466 | 467,694 |
| | | 4,810,280 |
| Diversified Financial Services 1.2% | | |
| Reynolds Group Holdings, Inc., Dollar Term Loan, 4.75%, 9/28/18 | 1,337 | 1,351,407 |
| Telesat LLC, Term Loan B, 4.25%, 3/28/19 | 1,378 | 1,387,721 |
| WMG Acquisition Corp., Term Loan, 5.25%, 11/01/18 | 345 | 348,881 |
| | | 3,088,009 |
| Diversified Telecommunication Services 3.2% | | |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18 | 880 | 888,527 |
| Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17 | 868 | 884,097 |
| Integra Telecom, Inc., Term Loan, 9.25%, 2/15/19 | 440 | 444,840 |
| Level 3 Financing, Inc.: | | |
| 2016 Term Loan B, 4.75%, 2/01/16 | 529 | 534,623 |
| 2019 Term Loan B, 5.25%, 8/01/19 | 595 | 601,075 |
| Term Loan, 4.75%, 8/01/19 | 2,725 | 2,746,800 |
| Syniverse Holdings, Inc., Delayed Draw Term Loan, 4.00%, 4/23/19 | 435 | 434,456 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (b) | Par (000) | Value |
|--|--------------|--------------|
| Diversified Telecommunication Services (concluded) | | |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17 | USD 1,359 | \$ 1,355,157 |
| | | 7,889,575 |
| Electronic Equipment, Instruments & Components 0.2% | | |
| CDW LLC, Extended Term Loan, 4.00%, 7/14/17 | 418 | 418,637 |
| Energy Equipment & Services 1.7% | | |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16 | 747 | 770,897 |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16 | 1,205 | 1,253,545 |
| MEG Energy Corp., Term Loan, 3.75%, 3/20/20 | 1,541 | 1,544,351 |
| Tervita Corp., Incremental Term Loan, 3.20%, 5/01/18 | 425 | 427,193 |
| Unifrax I LLC/Unifrax Holding Co., Dollar Term Loan, 4.25%, 11/28/18 | 210 | 211,388 |
| | | 4,207,374 |
| Food & Staples Retailing 0.6% | | |
| Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19 | 454 | 457,974 |
| Rite Aid Corp.: | | |
| Second Lien Term Loan, 5.75%, 7/07/20 | 225 | 230,126 |
| Term Loan 6, 4.00%, 2/21/20 | 210 | 210,405 |
| Supervalu, Inc., Term Loan B, 6.25%, 2/05/18 | 490 | 495,513 |
| | | 1,394,018 |
| Food Products 1.1% | | |
| Advance Pierre Foods, Inc., Term Loan, 5.75%, 7/10/17 | 510 | 516,217 |
| Del Monte Foods Co., Term Loan, 4.50%, 3/08/18 | 861 | 864,130 |
| Pinnacle Foods Finance LLC: | | |
| Extended Term Loan B, 3.70%, 10/03/16 | 118 | 118,940 |
| Term Loan E, 4.75%, 10/17/18 | 727 | 733,792 |
| Solvest Ltd. (Dole): | | |
| Term Loan B-2, 5.00% 6.00%, 7/06/18 | 202 | 201,806 |
| Term Loan C-2, 5.00% 6.00%, 7/06/18 | 361 | 361,127 |
| | | 2,796,012 |
| Health Care Equipment & Supplies 3.0% | | |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19 | 1,129 | 1,137,659 |
| Biomet, Inc., Extended Term Loan B, 3.95% 4.06%, 7/25/17 | 498 | 501,739 |
| BSN Medical Acquisition Holding GmbH, Term Loan B1A, 5.00%, 8/28/19 | 720 | 722,880 |
| Capital Safety North America, Term Loan, 4.50%, 1/21/19 | 670 | 669,938 |
| DJO Finance LLC: | | |
| Extended Term Loan B2, 5.20%, 11/01/16 | 354 | 355,955 |
| Term Loan B3, 6.25%, 9/15/17 | 1,226 | 1,235,704 |
| Hologic, Inc., Term Loan B, 4.50%, 8/01/19 | 1,416 | 1,431,053 |
| IASIS Healthcare LLC, Term Loan B2, 4.50%, 5/03/18 | 99 | 99,231 |
| Immucor, Inc., Term Loan B2, 5.75%, 8/18/18 | 968 | 966,577 |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18 | 398 | 406,955 |

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| | | | | | |
|---|-------------|-----|--------------|----|--------------|
| | | | | | 7,527,691 |
| Health Care Providers & Services | 3.2% | | | | |
| American Renal Holdings Co., Inc., First Lien Term Loan, 4.50%, 8/14/19 | | | 560 | | 558,600 |
| | | | Par | | |
| | | | (000) | | Value |
| Floating Rate Loan Interests (b) | | | | | |
| Health Care Providers & Services (concluded) | | | | | |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18 | | USD | 270 | \$ | 273,712 |
| CHG Buyer Corp., First Lien Term Loan, 5.00%, 11/22/19 | | | 415 | | 419,321 |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16 | | | 1,068 | | 1,078,855 |
| DaVita, Inc.: Term Loan B, 4.50%, 10/20/16 | | | 1,078 | | 1,085,697 |
| Term Loan B2, 4.00%, 11/01/19 | | | 590 | | 594,236 |
| Emergency Medical Services Corp., Term Loan, 4.00%, 5/25/18 | | | 381 | | 381,105 |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 9/25/17 | | | 369 | | 361,721 |
| Harden Healthcare LLC: Add on Term Loan A, 7.75%, 3/02/15 | | | 960 | | 939,856 |
| Term Loan A, 8.50%, 3/02/15 | | | 273 | | 270,586 |
| inVentiv Health, Inc.: Combined Term Loan, 7.50%, 8/04/16 | | | 135 | | 132,659 |
| Incremental Term Loan B-3, 7.75%, 5/15/18 | | | 333 | | 327,596 |
| Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17 | | | 968 | | 963,599 |
| US Renal Care, Inc., First Lien Term Loan, 6.25%, 7/02/19 | | | 478 | | 484,167 |
| | | | | | 7,871,710 |
| Health Care Technology | 1.0% | | | | |
| IMS Health, Inc., Tranche B Term Loan, 3.75%, 8/25/17 | | | 1,385 | | 1,388,003 |
| Kinetic Concepts, Inc., Term Loan C1, 5.50% 6.50%, 5/04/18 | | | 693 | | 701,552 |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19 | | | 270 | | 271,574 |
| | | | | | 2,361,129 |
| Hotels, Restaurants & Leisure | 3.6% | | | | |
| Alpha D2 Ltd., Term Loan B, 6.00%, 4/30/19 | | | 621 | | 628,276 |
| Caesars Entertainment Operating Co., Inc., Term Loan B1, 3.20%, 1/28/15 | | | 894 | | 891,262 |
| Golden Living, Term Loan, 5.00%, 5/04/18 | | | 545 | | 522,530 |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19 | | | 735 | | 743,452 |
| OSI Restaurant Partners LLC, Term Loan B, 4.75%, 10/24/19 | | | 546 | | 552,765 |
| Sabre, Inc., Term Loan B, 5.25%, 2/19/19 | | | 305 | | 304,783 |
| SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17 | | | 866 | | 869,722 |
| Six Flags Theme Parks, Inc., Term Loan B, 4.00% 5.25%, 12/20/18 | | | 206 | | 208,871 |
| Station Casinos, Inc.: 2011 Term Loan B2, 6.25%, 6/17/16 | | | 875 | | 867,711 |
| Term Loan B, 5.50%, 9/27/19 | | | 758 | | 762,520 |
| Term Loan B, 5.00%, 2/13/20 | | | 1,585 | | 1,598,208 |
| Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19 | | | 1,007 | | 1,015,908 |
| | | | | | 8,966,008 |
| Household Products | 0.4% | | | | |
| Spectrum Brands, Inc., Term Loan, 4.50%, 12/17/19 | | | 900 | | 910,872 |
| Independent Power Producers & Energy Traders | 0.5% | | | | |
| The AES Corp., Term Loan, 4.25%, 6/01/18 | | | 730 | | 732,540 |

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| | | |
|---|-------|-----------|
| Calpine Corp., Term Loan B1, 4.50%, 4/02/18 | 403 | 405,323 |
| | | 1,137,863 |
| Industrial Conglomerates 0.6% | | |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17 | 1,412 | 1,428,062 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Floating Rate Loan Interests (b) | | |
| Insurance 0.9% | | |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19 | USD 400 | \$ 403,000 |
| Asurion LLC, Term Loan B1, 5.50%, 5/24/19 | 575 | 576,679 |
| CNO Financial Group, Inc.: | | |
| Term Loan B-1, 4.25%, 9/28/16 | 371 | 373,279 |
| Term Loan B-2, 5.00%, 9/20/18 | 508 | 512,486 |
| Cunningham Lindsey Group, Inc., Term Loan B, 5.00%, 12/10/19 | 345 | 349,312 |
| | | 2,214,756 |
| Internet Software & Services 0.2% | | |
| Web.com Group, Inc., Term Loan B, 5.50%, 10/27/17 | 592 | 597,107 |
| IT Services 3.6% | | |
| CCC Information Services, Inc., Term Loan, 5.25%, 12/20/19 | 205 | 206,230 |
| Ceridian Corp., Extended Term Loan, 5.95%, 5/09/17 | 951 | 961,746 |
| First Data Corp.: | | |
| 2018 Add-on Term Loan, 5.20%, 9/24/18 | 835 | 834,624 |
| Extended 2018 Term Loan B, 4.20%, 3/23/18 | 3,949 | 3,898,811 |
| Genpact International, Inc., Term Loan B, 4.25%, 8/30/19 | 519 | 523,887 |
| InfoGroup, Inc., Term Loan, 5.75%, 5/25/18 | 373 | 338,416 |
| iPayment, Inc., Term Loan B, 5.75%, 5/08/17 | 151 | 151,850 |
| SunGard Data Systems, Inc., Term Loan D, 4.50%, 1/31/20 | 555 | 559,163 |
| TransUnion LLC, Term Loan B, 5.50%, 2/12/18 | 1,453 | 1,461,486 |
| | | 8,936,213 |
| Leisure Equipment & Products 0.2% | | |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13 | 267 | 267,046 |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19 | 283 | 282,658 |
| | | 549,704 |
| Life Sciences Tools & Services 0.1% | | |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18 | 264 | 267,311 |
| Machinery 2.3% | | |
| Alliance Laundry Systems LLC, First Lien Term Loan, 5.50%, 12/07/18 | 220 | 220,893 |
| Dematic S.A., Term Loan, 5.25%, 12/27/19 | 540 | 543,543 |
| Intelligrated, Inc., First Lien Term Loan, 4.50% 6.75%, 7/30/18 | 399 | 399,000 |
| Rexnord Corp., Term Loan B, 4.50%, 4/02/18 | 541 | 543,903 |
| Silver II US Holdings LLC, Term Loan, 4.75%, 12/05/19 | 1,850 | 1,850,000 |
| Terex Corp., Term Loan B, 4.50%, 4/28/17 | 1,122 | 1,132,414 |
| Wabash National Corp., Term Loan B, 6.00%, 5/02/19 | 1,017 | 1,024,098 |
| | | 5,713,851 |
| Media 8.9% | | |
| | 721 | 728,394 |

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| | | | |
|--|-----|--------------|--------------|
| Capsugel Holdings US, Inc., Term Loan B, 4.75%, 8/01/18 | | | |
| Cengage Learning Acquisitions, Inc.: | | | |
| Non-Extended Term Loan, 2.71%, 7/03/14 | | 192 | 149,941 |
| Tranche 1 Incremental, 7.50%, 7/03/14 | | 661 | 525,370 |
| Charter Communications Operating LLC: | | | |
| Extended Term Loan C, 3.46%, 9/06/16 | | 1,086 | 1,089,316 |
| Term Loan D, 4.00%, 5/15/19 | | 631 | 635,494 |
| Cumulus Media, Inc., First Lien Term Loan, 4.50%, 9/17/18 | | 1,143 | 1,153,370 |
| | | Par | |
| Floating Rate Loan Interests (b) | | (000) | Value |
| Media (concluded) | | | |
| EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18 | USD | 368 | \$ 372,108 |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%, 7/14/17 | | 658 | 665,921 |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19 | | 970 | 977,547 |
| Gray Television, Inc., Term Loan B, 4.75%, 10/15/19 | | 872 | 880,745 |
| Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 7.25%, 6/01/18 | | 804 | 807,945 |
| Hubbard Broadcasting, Term Loan B, 4.50%, 4/28/17 | | 484 | 487,717 |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.50%, 4/02/18 | | 5,332 | 5,382,454 |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18 | | 891 | 892,265 |
| Kabel Deutschland GmbH, Term Loan F, 3.50%, 2/01/19 | | 1,200 | 1,201,932 |
| NEP Supershooters LP: | | | |
| First Lien Term Loan, 5.25%, 1/18/20 | | 315 | 315,885 |
| Second Lien Term Loan, 9.50%, 8/18/20 | | 225 | 230,625 |
| Term Loan, 4.75%, 1/18/20 | | 315 | 315,788 |
| Nielsen Finance LLC, Class C Term Loan, 3.45%, 5/02/16 | | 222 | 222,083 |
| Sinclair Television Group, Inc., Term Loan B, 4.00%, 10/28/16 | | 1,102 | 1,105,867 |
| Univision Communications, Inc., Extended Term Loan, 4.45%, 3/31/17 | | 1,114 | 1,114,547 |
| UPC Financing Partnership, Term Loan T, 3.70%, 12/30/16 | | 425 | 425,938 |
| Virgin Media Investment Holdings, Term Loan B, 3.50%, 2/17/20 | | 980 | 974,149 |
| WC Luxco Sarl, Term Loan B-3, 4.25%, 3/15/18 | | 263 | 265,460 |
| Weather Channel, Term Loan B, 4.25%, 2/13/17 | | 629 | 633,828 |
| WideOpenWest Finance LLC, First Lien Term Loan, 6.25%, 7/17/18 | | 343 | 347,308 |
| | | | 21,901,997 |
| Metals & Mining 3.0% | | | |
| Ameriforge Group, Inc., First Lien Term Loan, 5.00%, 12/19/19 | | 355 | 358,330 |
| Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18 | | 483 | 492,226 |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17 | | 1,756 | 1,776,632 |
| Metals USA, Inc., Term Loan, 6.25%, 11/15/19 | | 430 | 430,538 |
| Novelis, Inc.: | | | |
| Incremental Term Loan B-2, 4.00%, 3/10/17 | | 886 | 886,712 |
| Term Loan, 4.00%, 3/10/17 | | 1,095 | 1,095,762 |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18 | | 258 | 258,484 |
| Walter Energy, Inc., Term Loan B, 5.75%, 4/02/18 | | 1,378 | 1,380,038 |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17 | | 608 | 627,109 |
| | | | 7,305,831 |
| Multiline Retail 1.0% | | | |
| 99¢ Only Stores, Term Loan, 5.25%, 1/11/19 | | 692 | 696,736 |

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| | | |
|--|-----|---------|
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/28/20 | 460 | 464,517 |
| BJ's Wholesale Club, Inc.: First Lien Term Loan, 5.75%, 9/13/19 | 389 | 389,270 |
| Second Lien Term Loan, 9.75%, 3/26/20 | 265 | 273,780 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests (b) | | |
| Multiline Retail (concluded) | | |
| The Neiman Marcus Group, Inc., Extended Term Loan, 4.00%, 5/16/18 | USD 615 | \$ 614,797 |
| | | 2,439,100 |
| Oil, Gas & Consumable Fuels 2.3% | | |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17 | 1,230 | 1,255,498 |
| Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18 | 694 | 700,119 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | 799 | 806,819 |
| Plains Exploration & Production, 7-Year Term Loan B, 4.00%, 11/30/19 | 845 | 846,411 |
| Samson Investment Co., Second Lien Term Loan, 6.00%, 9/25/18 | 275 | 277,580 |
| Tesoro Corp., Term Loan B, 2.55%, 1/30/16 | 515 | 519,506 |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17 | 1,269 | 1,275,282 |
| | | 5,681,215 |
| Pharmaceuticals 3.0% | | |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17 | 1,180 | 1,182,725 |
| Par Pharmaceutical, Term Loan B, 4.25%, 9/28/19 | 1,746 | 1,743,443 |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | 1,580 | 1,588,626 |
| Quintiles Transnational Corp., Term Loan B, 4.50%, 6/08/18 | 683 | 688,816 |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18 | 168 | 170,164 |
| Valeant Pharmaceuticals International, Inc.: Series C, Tranche B, 3.50%, 12/11/19 | 625 | 627,344 |
| Series D, Tranche B, 3.50%, 2/13/19 | 656 | 658,409 |
| Warner Chilcott Corp.: Incremental Term Loan B-1, 4.25%, 3/15/18 | 145 | 146,638 |
| Term Loan B-1, 4.25%, 3/15/18 | 383 | 386,123 |
| Term Loan B-2, 4.25%, 3/15/18 | 118 | 119,374 |
| | | 7,311,662 |
| Professional Services 1.1% | | |
| Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19 | 603 | 608,768 |
| Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18 | 1,311 | 1,326,485 |
| ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19 | 189 | 190,672 |
| Truven Health Analytics, Inc., Term Loan B, 5.75%, 6/01/19 | 557 | 562,427 |
| | | 2,688,352 |
| Real Estate Investment Trusts (REITs) 0.6% | | |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17 | 1,408 | 1,408,676 |
| Real Estate Management & Development 1.3% | | |
| Realty Corp.: | 981 | 980,656 |

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| | | |
|---|----------------------|--------------|
| Extended Letter of Credit Loan, 4.46%, 10/10/16 | | |
| Extended Term Loan, 4.42%, 10/10/16 | 2,360 | 2,359,491 |
| | | 3,340,147 |
| Road & Rail 0.2% | | |
| Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18 | 437 | 437,792 |
| | Par (000) | Value |
| Floating Rate Loan Interests (b) | | |
| Semiconductors & Semiconductor Equipment 1.0% | | |
| Freescall Semiconductor, Inc.: | | |
| Extended Term Loan B, 4.45%, 12/01/16 | USD682 | \$ 682,426 |
| Term Loan, 5.00%, 3/20/20 | 940 | 936,240 |
| NXP BV: | | |
| Term Loan A-2, 5.50%, 3/03/17 | 503 | 512,818 |
| Term Loan C, 4.75%, 1/11/20 | 365 | 370,588 |
| | | 2,502,072 |
| Software 1.8% | | |
| Blackboard, Inc., Term Loan B, 6.25%, 10/04/18 | 147 | 148,602 |
| GCA Services Group, Inc., Term Loan B, 5.25%, 11/01/19 | 415 | 415,000 |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18 | 1,910 | 1,931,102 |
| RP Crown Parent LLC, First Lien Term Loan, 6.75%, 12/21/18 | 455 | 461,543 |
| Sophia LP, Term Loan B, 6.25%, 7/19/18 | 630 | 634,602 |
| SS&C Technologies, Inc.: | | |
| Term Loan B-1, 5.00%, 6/07/19 | 762 | 769,062 |
| Term Loan B-2, 5.00%, 6/07/19 | 79 | 79,558 |
| | | 4,439,469 |
| Specialty Retail 4.1% | | |
| Academy Ltd., Term Loan, 4.75%, 8/03/18 | 1,090 | 1,102,367 |
| Bass Pro Group LLC, Term Loan, 4.00%, 11/20/19 | 580 | 583,120 |
| Burlington Coat Factory Warehouse Corp., Term Loan B1, 5.50%, 2/23/17 | 330 | 333,066 |
| David s Bridal, Inc., Term Loan B, 5.00%, 10/11/19 | 865 | 873,866 |
| Equinox Fitness Clubs, First Lien Term Loan, 5.50%, 11/16/19 | 425 | 429,250 |
| The Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18 | 67 | 63,889 |
| Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/14/17 | 423 | 427,104 |
| Jo-Ann Stores, Inc., Term Loan, 4.75%, 3/16/18 | 385 | 385,322 |
| Leslie s Poolmart, Inc., Term Loan B, 2.00% - 5.25%, 10/16/19 | 692 | 699,712 |
| Michaels Stores, Inc., Term Loan, 4.81%, 1/31/20 | 975 | 977,165 |
| Party City Holdings, Inc., Term Loan B, 5.75%, 7/26/19 | 1,375 | 1,373,969 |
| PETCO Animal Supplies, Inc., Term Loan, 4.00%, 11/24/17 | 1,500 | 1,511,401 |
| Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18 | 579 | 569,872 |
| Toys R Us Delaware, Inc.: | | |
| Incremental Term Loan B2, 5.25%, 5/25/18 | 160 | 152,250 |
| Term Loan B3, 5.25%, 5/25/18 | 124 | 117,239 |
| The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19 | 451 | 453,415 |
| | | 10,053,007 |
| Textiles, Apparel & Luxury Goods 0.8% | | |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18 | 869 | 877,423 |
| PVH Corp., Term Loan B, 3.25%, 12/19/19 | 565 | 569,531 |
| Wolverine Worldwide, Inc., Term Loan B, 4.00%, 7/31/19 | 457 | 460,760 |

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| | | |
|--|-------------|-----------|
| | | 1,907,714 |
| Thrifts & Mortgage Finance | 0.3% | |
| Insight Global, Inc., First Lien Term Loan, 6.00%, 10/31/19 | 425 | 426,063 |

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|-------------|
| Floating Rate Loan Interests (b) | | |
| Thriffs & Mortgage Finance (concluded) | | |
| Ocwen Financial Corp., Term Loan, 5.00%, 1/22/18 | USD 355 | \$ 359,288 |
| | | 785,351 |
| Trading Companies & Distributors 0.2% | | |
| WESCO Distribution, Inc., Term Loan B, 4.50%, 12/12/19 | 480 | 484,403 |
| Wireless Telecommunication Services 1.7% | | |
| Cricket Communications, Inc., Term Loan, 4.75%, 10/10/19 | 435 | 436,362 |
| MetroPCS Wireless, Inc., Term Loan B-3, 4.00%, 3/16/18 | 563 | 563,477 |
| Vodafone Americas Finance 2, Inc., Term Loan, 6.88%, 8/11/15 (f) | 3,046 | 3,106,614 |
| | | 4,106,453 |
| Total Floating Rate Loan Interests 78.1% | | 193,047,848 |

| | Beneficial Interest (000) | Value |
|--|---------------------------------|---------|
| Other Interests (i) | | |
| Auto Components 0.0% | | |
| Intermet Liquidating Trust, Class A (d) | 320 | |
| Diversified Financial Services 0.3% | | |
| J.G.Wentworth LLC Preferred Equity Interests (d) | (j) | 645,641 |
| Media 0.0% | | |
| Adelphia Preferred Escrow (d) | 3 | |
| Adelphia Recovery Trust, Series ACC-6B INT (d) | 250 | 7,500 |
| | | 7,500 |
| Total Other Interests 0.3% | | 653,141 |

| | Shares | Value |
|---|--------|--------------|
| Trust Preferreds | | |
| Diversified Financial Services 0.6% | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b) | 52,000 | \$ 1,375,385 |

| | | Value |
|--|---------|-------------|
| Warrants (k) | | |
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. (Expires 3/31/15) | 172,462 | 11,124 |
| Media 0.1% | | |
| Charter Communications, Inc. (issued/exercisable 11/30/09, 1 share for 1 warrant, Expires 11/30/14, Strike Price \$51.28) | 6,862 | 260,756 |
| Software 0.0% | | |
| HMH Holdings/EduMedia (issued/exercisable 3/09/10, 19 shares for 1 warrant, Expires 6/22/19, Strike Price \$42.27) | 982 | |
| Total Warrants 0.1% | | 271,880 |
| Total Long-Term Investments (Cost \$355,323,860) 145.1% | | 358,463,781 |

| | Beneficial | |
|--|-------------------|-----------------------|
| | Interest | |
| Short-Term Securities | (000) | |
| Bank of New York Cash Reserves, 0.01% (1) | USD 5,966 | 5,965,660 |
| | Shares | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (1)(m) | 2,447,698 | 2,447,698 |
| Total Short-Term Securities | | |
| (Cost \$8,413,358) 3.4% | | 8,413,358 |
| Total Investments (Cost \$363,737,218) 148.5% | | 366,877,139 |
| Liabilities in Excess of Other Assets (48.5)% | | (119,753,265) |
| Net Assets 100.0% | | \$ 247,123,874 |

Notes to Consolidated Schedule of Investments

(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

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

| Counterparty | Value | Unrealized Appreciation (Depreciation) |
|---------------------------|--------------|---|
| Citigroup, Inc. | \$ 478,800 | \$ (1,200) |
| Deutsche Bank AG | \$ 238,750 | |
| Goldman Sachs Group, Inc. | \$ 372,300 | \$ 4,906 |
| Sterne Agee & Leach | \$ 91,800 | \$ 1,210 |
| Suntrust Robinson | \$ 93,840 | \$ 1,237 |

(d) Non-income producing security.

(e) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(g) Convertible security.

(h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(i) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(j) Amount is less than \$500.

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(k) 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 of the warrants, if any.

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

(m) Investments in issuers considered to be an affiliate of the Fund during the year ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at February 29, 2012 | Net Activity | Shares Held at February 28, 2013 | Income |
|--|---|-------------------------|---|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | | 2,447,698 | 2,447,698 | \$ 2,060 |

Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|-------------------------------|--------------------------|---------------------|----------------------------|------------------------------------|
| USD 456,117 | CAD 450,000 | Deutsche Bank AG | 4/17/13 | \$ 20,204 |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating¹ | Notional Amount (000)² | Unrealized Depreciation |
|-------------------------------------|-------------------------------|---------------------------|----------------------------|--------------------------------------|--|------------------------------------|
| Caesars Entertainment Operating Co. | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD 169 | \$(1,286) |

¹ Using S&P's rating of the issuer.

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

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. 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 as follows:

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Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund 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 Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

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

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

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments (continued)****BlackRock Senior High Income Fund, Inc. (ARK)**

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------------|----------------|---------------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Asset-Backed Securities | | \$ 238,750 | \$ 10,426,035 | \$ 10,664,785 |
| Common Stocks | \$ 2,076,644 | 1,026,195 | 93,315 | 3,196,154 |
| Corporate Bonds | | 145,338,523 | 3,916,065 | 149,254,588 |
| Floating Rate Loan Interests | | 176,050,893 | 16,996,955 | 193,047,848 |
| Other Interests | 7,500 | | 645,641 | 653,141 |
| Trust Preferreds | 1,375,385 | | | 1,375,385 |
| Warrants | 260,756 | | 11,124 | 271,880 |
| Short-Term Securities | 8,413,358 | | | 8,413,358 |
| Unfunded Loan Commitments | | 124 | | 124 |
| Total | \$ 12,133,643 | \$ 322,654,485 | \$ 32,089,135 | \$ 366,877,263 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|-----------|---------|-----------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Foreign currency exchange contracts | | \$ 20,204 | | \$ 20,204 |
| Liabilities: | | | | |
| Credit contracts | | (1,286) | | (1,286) |
| Total | | \$ 18,918 | | \$ 18,918 |

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

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|------------|-----------------|---------|-----------------|
| Assets: | | | | |
| Cash | \$ 28,923 | | | \$ 28,923 |
| Foreign currency at value | 153,780 | | | 153,780 |
| Liabilities: | | | | |
| Loan payable | | \$ (98,000,000) | | (98,000,000) |
| Total | \$ 182,703 | \$ (98,000,000) | | \$ (97,817,297) |

There were no transfers between Level 1 and Level 2 during the year ended February 28, 2013.

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

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

| | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | Total |
|--|----------------------------|------------------|---------------------|------------------------------------|--------------------|------------------|----------------------|
| Assets: | | | | | | | |
| Opening Balance, as of February 29, 2012 . | \$ 3,022,303 | \$ 355,574 | \$ 4,310,541 | \$ 12,348,294 | \$ 989,983 | | \$ 21,026,695 |
| Transfers into Level 3 ¹ | | | | 586,295 | | | 586,295 |
| Transfers out of Level 3 ¹ | | (271,121) | | (700,869) | | | (971,990) |
| Accrued discounts/premiums | 49,362 | | 148,734 | 23,089 | | | 221,185 |
| Net realized gain (loss) | 56,614 | (749,636) | 349,763 | (535,894) | | | (879,153) |
| Net change in unrealized appreciation/depreciation ² | 671,105 | 758,508 | 495,747 | 769,658 | 267,658 | \$ 11,124 | 2,973,800 |
| Purchases | 9,347,441 | | 450,000 | 7,889,002 | 12,000 | | 17,698,443 |
| Sales | (2,720,790) | (10) | (1,838,720) | (3,382,620) | (624,000) | | (8,566,140) |
| Closing Balance, as of February 28, 2013 | \$ 10,426,035 | \$ 93,315 | \$ 3,916,065 | \$ 16,996,955 | \$ 645,641 | \$ 11,124 | \$ 32,089,135 |

¹ Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

² Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on securities still held as of February 28, 2013 was \$2,044,932.

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$25,059,037.

| | Value | Valuation Techniques | Unobservable Inputs ³ | Range of Unobservable Inputs |
|------------------------------|-----------------------------------|---|-------------------------------------|------------------------------------|
| Assets: | | | | |
| Common Stocks | \$ 93,315 | Market Comparable Companies | EBITDA Multiple | 5.25x |
| Corporate Bonds | 3,195,345 450,000 | Market Comparable Companies Cost ⁴ | EBITDA Multiple N/A | 5.25x |
| Floating Rate Loan Interests | 1,210,442 569,872 1,500,000 | Discounted Cash Flow Market Comparable Yield Analysis Cost ⁴ | Yield Yield N/A | 9.50% 8.375% |
| Warrants | 11,124 | Market Comparable Companies | EBITDA Multiple | 5.25x |
| Total | \$ 7,030,098 | | | |

³ A change to the unobservable input may result in a significant change to the value of the investment as follows:

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

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

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Assets and Liabilities

| | BlackRock Corporate High Yield Fund, Inc. (COY) | BlackRock Corporate High Yield Fund III, Inc. (CYE) | BlackRock Debt Strategies Fund, Inc. (DSU) | BlackRock Senior High Income Fund, Inc. (ARK) |
|--|--|--|--|--|
| February 28, 2013 | | | | |
| Assets | | | | |
| Investments at value unaffiliated | \$ 374,067,363 | \$ 418,085,615 | \$ 706,578,692 | \$ 364,429,441 |
| Investments at value affiliated | | 2,103,451 | 157,333 | 2,447,698 |
| Cash | 3,687,665 | 1,722,765 | 126,483 | 28,923 |
| Cash pledged as collateral for swaps | 600,000 | 100,000 | | |
| Cash pledged as collateral for financial futures contracts | 231,000 | 252,000 | | |
| Investments sold receivable | 3,459,084 | 3,790,136 | 9,539,158 | 4,779,054 |
| Interest receivable | 5,111,303 | 5,667,410 | 6,435,324 | 3,179,532 |
| Unrealized appreciation on foreign currency exchange contracts | 949,539 | 1,022,011 | 928,123 | 20,204 |
| Unrealized appreciation on swaps | 846,110 | 884,135 | 273,098 | |
| Foreign currency at value ³ | 9,196 | 1,908 | 262,834 | 153,780 |
| Swaps receivable | 149,019 | 166,960 | 93,470 | 1,664 |
| Swap premiums paid | 74,335 | 77,811 | | |
| Variation margin receivable | 5,750 | 6,250 | | |
| Dividends receivable | 3,952 | 2,844 | | |
| Income tax refund receivable | | | 111,194 | |
| Unrealized appreciation on unfunded loan commitments | | | 237 | 124 |
| Prepaid expenses | 3,980 | 9,235 | 2,021 | 7,801 |
| Other assets | | | 232,711 | |
| Total assets | 389,198,296 | 433,892,531 | 724,740,678 | 375,048,221 |
| Liabilities | | | | |
| Loan payable | 98,000,000 | 117,000,000 | 190,000,000 | 98,000,000 |
| Investments purchased payable | 17,260,707 | 18,605,546 | 57,708,218 | 29,465,040 |
| Swap premiums received | 1,156,106 | 1,205,057 | 1,170,411 | 53,336 |
| Cash received as collateral for swaps | 600,000 | 500,000 | | |
| Investment advisory fees payable | 139,546 | 186,873 | 306,298 | 131,765 |
| Interest expense payable | 112,885 | 82,166 | 137,457 | 71,915 |
| Officers and Directors fees payable | | | 137,938 | |
| Options written at value ⁴ | 50,555 | 54,924 | | |
| Unrealized depreciation on swaps | 35,338 | 38,089 | 2,474 | 1,286 |
| Unrealized depreciation on foreign currency exchange contracts | 5,376 | | | |
| Swaps payable | 2,337 | 2,515 | | |
| Deferred capital gains tax payable | | | 53,428 | |
| Other accrued expenses payable | 218,457 | 209,651 | 271,449 | 201,005 |
| Total liabilities | 117,581,307 | 137,884,821 | 249,787,673 | 127,924,347 |
| Net Assets | \$ 271,616,989 | \$ 296,007,710 | \$ 474,953,005 | \$ 247,123,874 |
| Net Assets Consist of | | | | |
| Paid-in capital ⁵ | \$ 306,446,046 | \$ 326,291,482 | \$ 760,311,619 | \$ 350,162,299 |
| Undistributed net investment income | 4,102,652 | 1,542,971 | 1,014,349 | 3,093,281 |
| Accumulated net realized loss | (50,360,724) | (45,804,963) | (263,080,232) | (109,287,601) |
| Net unrealized appreciation/depreciation | 11,429,015 | 13,978,220 | (23,292,731) | 3,155,895 |

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| | | | | |
|--|----------------|----------------|----------------|----------------|
| Net Assets | \$ 271,616,989 | \$ 296,007,710 | \$ 474,953,005 | \$ 247,123,874 |
| Net asset value per share | \$ 7.76 | \$ 7.88 | \$ 4.38 | \$ 4.35 |
| ¹ Investments at cost unaffiliated | \$ 364,373,360 | \$ 405,955,194 | \$ 731,237,306 | \$ 361,289,520 |
| ² Investments at cost affiliated | | \$ 2,103,451 | \$ 157,333 | \$ 2,447,698 |
| ³ Foreign currency at cost | \$ 9,375 | \$ 1,963 | \$ 268,954 | \$ 156,842 |
| ⁴ Premiums received | \$ 98,415 | \$ 106,920 | | |
| ⁵ Shares outstanding, 200 million shares authorized, par value \$0.10 per share | 35,004,366 | 37,542,561 | 108,362,126 | 56,852,901 |

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Operations

| Year Ended February 28, 2013 | BlackRock Corporate | BlackRock Corporate | BlackRock | |
|--|-----------------------------------|--|---|--|
| | High Yield Fund, Inc. (COY) | High Yield Fund III, Inc. (CYE) | BlackRock Debt Strategies Fund, Inc. (DSU) | Senior High Income Fund, Inc. (ARK) |
| Investment Income | | | | |
| Interest | \$ 24,385,970 | \$ 27,253,914 | \$ 42,239,880 | \$ 21,206,244 |
| Dividends unaffiliated | 773,530 | 875,132 | 11,106 | 16,226 |
| Dividends affiliated | 2,410 | 1,034 | 3,303 | 2,060 |
| Total income | 25,161,910 | 28,130,080 | 42,254,289 | 21,224,530 |
| Expenses | | | | |
| Investment advisory | 1,750,891 | 2,349,156 | 3,790,193 | 1,619,965 |
| Borrowing costs ¹ | 166,158 | 181,307 | 294,645 | 153,731 |
| Professional | 163,945 | 135,378 | 229,780 | 206,681 |
| Accounting services | 91,205 | 96,867 | 111,417 | 70,067 |
| Transfer agent | 63,326 | 51,706 | 106,764 | 64,749 |
| Custodian | 23,763 | 71,743 | 51,019 | 30,980 |
| Officer and Directors | 22,654 | 23,041 | 55,651 | 21,520 |
| Registration | 22,543 | 23,718 | 37,261 | 35,860 |
| Printing | 11,234 | 13,014 | 6,946 | 11,156 |
| Miscellaneous | 50,807 | 43,892 | 60,688 | 30,632 |
| Total expenses excluding interest expense and income tax | 2,366,526 | 2,989,822 | 4,744,364 | 2,245,341 |
| Interest expense | 861,136 | 1,027,549 | 1,671,333 | 798,937 |
| Income tax | 4,230 | 4,230 | 578 | |
| Total expenses | 3,231,892 | 4,021,601 | 6,416,275 | 3,044,278 |
| Less fees waived by Manager | (1,331) | (518) | (1,545) | (1,009) |
| Total expenses after fees waived | 3,230,561 | 4,021,083 | 6,414,730 | 3,043,269 |
| Net investment income | 21,931,349 | 24,108,997 | 35,839,559 | 18,181,261 |
| Realized and Unrealized Gain (Loss) | | | | |
| Net realized gain (loss) from: | | | | |
| Investments unaffiliated | 10,645,703 | 11,944,307 | (3,429,257) | 3,317,242 |
| Capital gain distributions received from affiliated investment companies | | | 109 | |
| Financial futures contracts | (785,888) | (831,838) | | |
| Foreign currency transactions | (907,460) | (908,659) | (961,307) | (21,443) |
| Options written | 220,356 | 228,748 | | |
| Swaps | 976,481 | 1,005,453 | (302,636) | (298,156) |
| | 10,149,192 | 11,438,011 | (4,693,091) | 2,997,643 |
| Net change in unrealized appreciation/depreciation on: | | | | |
| Investments | 3,164,868 | 4,840,563 | 30,537,466 ² | 8,063,327 |
| Financial futures contracts | 198,467 | 195,269 | | |
| Foreign currency translations | 1,833,233 | 1,940,573 | 1,653,055 | 30,001 |
| Options written | (13,450) | (13,054) | | |

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| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Swaps | 445,683 | 476,087 | 270,624 | (1,286) |
| Unfunded loan commitments | | | 237 | 124 |
| | 5,628,801 | 7,439,438 | 32,461,382 | 8,092,166 |
| Total realized and unrealized gain | 15,777,993 | 18,877,449 | 27,768,291 | 11,089,809 |
| Net Increase in Net Assets Resulting from Operations | \$ 37,709,342 | \$ 42,986,446 | \$ 63,607,850 | \$ 29,271,070 |

¹ See Note 6 of the Notes to Consolidated Financial Statements for details of short-term borrowings.

² Net of capital gains tax of \$53,428.

See Notes to Consolidated Financial Statements.

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| Net Assets | | | | |
|---|----------------|---------------------------|----------------|---------------------------|
| Total increase (decrease) in net assets | 29,128,770 | (15,422,956) | 11,807,376 | (3,443,922) |
| Beginning of year | 445,824,235 | 461,247,191 | 235,316,498 | 238,760,420 |
| End of year | \$ 474,953,005 | \$ 445,824,235 | \$ 247,123,874 | \$ 235,316,498 |
| Undistributed net investment income | \$ 1,014,349 | \$ 3,782,626 ² | \$ 3,093,281 | \$ 2,841,426 ² |

¹ Dividends are determined in accordance with federal income tax regulations.

² Restated to reclassify income tax expenses to net investment income from realized and unrealized gain (loss).

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Statements of Cash Flows**

| | BlackRock Corporate High Yield Fund, Inc. | BlackRock Corporate High Yield Fund III, Inc. | BlackRock Debt Strategies Fund, Inc. | BlackRock Senior High Income Fund, Inc. |
|--|--|--|---|--|
| Year Ended February 28, 2013 | (COY) | (CYE) | (DSU) | (ARK) |
| Cash Used for Operating Activities | | | | |
| Net increase in net assets resulting from operations | \$ 37,709,342 | \$ 42,986,446 | \$ 63,607,850 | \$ 29,271,070 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities: | | | | |
| Increase in interest receivable | (375,308) | (117,967) | (608,226) | (239,059) |
| Increase in swaps receivable | (47,925) | (64,660) | (93,470) | (1,664) |
| Decrease in income receivable affiliated | | 11 | 696 | 188 |
| Decrease in dividends receivable unaffiliated | 5,785 | 18,055 | 56,056 | |
| Increase in income tax refund receivable | | | (111,194) | |
| Decrease in cash pledged as collateral for financial futures contracts | 331,000 | 324,000 | | |
| Increase in cash pledged as collateral in connection with swaps | (100,000) | | | |
| Decrease in prepaid expenses | 22,367 | 15,559 | 21,322 | 21,203 |
| Decrease in other assets | 48,396 | 6,507 | 279,373 | |
| Decrease in variation margin receivable | 35,200 | 35,750 | | |
| Increase in investment advisory fees payable | 15,937 | 18,385 | 42,844 | 15,507 |
| Increase in cash received as collateral for swaps | 600,000 | 500,000 | | |
| Increase (decrease) in interest expense payable | 54,453 | (43,930) | (68,706) | (28,336) |
| Increase (decrease) in other accrued expenses payable | (27,193) | 32,225 | (54,957) | 66,834 |
| Decrease in deferred income | | (79,400) | (123,185) | (65,666) |
| Decrease in swaps payable | (8,214) | (9,035) | | |
| Increase (decrease) in Officers and Directors fees payable | (706) | (2,675) | 25,447 | (198) |
| Increase in deferred foreign capital gains tax payable | | | 53,428 | |
| Net periodic and termination payment of swaps | 2,101,654 | 2,213,819 | 867,775 | (244,820) |
| Net realized and unrealized gain/loss on investments and swaps | (16,962,040) | (19,893,127) | (28,672,361) | (10,846,234) |
| Amortization of premium and accretion of discount on investments and swaps | (98,494) | (228,773) | (2,306,716) | (679,295) |
| Premiums received from options written | 330,911 | 346,174 | | |
| Premiums paid on closing options written | (89,037) | (92,086) | | |
| Proceeds from sales of long-term investments | 263,167,385 | 296,350,802 | 471,009,524 | 225,558,088 |
| Purchases of long-term investments | (296,268,982) | (325,370,487) | (512,919,347) | (250,823,151) |
| Net proceeds from sales (purchases) of short-term securities | 2,264,805 | (2,103,451) | (1,268,569) | (3,292,335) |
| Cash used for operating activities | (7,290,664) | (5,157,858) | (10,262,416) | (11,287,868) |
| Cash Provided by Financing Activities | | | | |
| Cash receipts from borrowings | 159,000,000 | 145,000,000 | 272,000,000 | 152,000,000 |
| Cash payments on borrowings | (128,000,000) | (114,000,000) | (227,000,000) | (123,000,000) |
| Cash dividends paid to shareholders | (20,268,115) | (24,165,358) | (34,479,080) | (17,541,951) |
| Decrease in bank overdraft | | (193,858) | | |
| Cash provided by financing activities | 10,731,885 | 6,640,784 | 10,520,920 | 11,458,049 |
| Cash Impact from Foreign Exchange Fluctuations | | | | |
| Cash impact from foreign exchange fluctuations | (3,063) | (2,096) | (6,961) | (3,106) |
| Cash and Foreign Currency | | | | |
| Net increase (decrease) in cash and foreign currency | 3,438,158 | 1,480,830 | 251,543 | 167,075 |
| Cash and foreign currency at beginning of period | 258,703 | 243,842 | 137,774 | 15,628 |

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| | | | | | | | | |
|--|----|-----------|----|-----------|----|---------|----|---------|
| Cash and foreign currency at end of period | \$ | 3,696,861 | \$ | 1,724,672 | \$ | 389,317 | \$ | 182,703 |
|--|----|-----------|----|-----------|----|---------|----|---------|

Cash Flow Information

| | | | | | | | | |
|--|----|---------|----|-----------|----|-----------|----|---------|
| Cash paid during the period for interest | \$ | 806,683 | \$ | 1,071,479 | \$ | 1,740,039 | \$ | 827,273 |
|--|----|---------|----|-----------|----|-----------|----|---------|

Non-cash Financing Activities

| | | | | | | | | |
|--|----|-----------|----|---------|----|-----------|----|---------|
| Capital shares issued in reinvestment of dividends | \$ | 1,105,397 | \$ | 999,385 | \$ | 1,653,035 | \$ | 809,036 |
|--|----|-----------|----|---------|----|-----------|----|---------|

See Notes to Consolidated Financial Statements.

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Table of Contents**Financial Highlights****BlackRock Corporate High Yield Fund, Inc. (COY)**

| | Year Ended February 28, 2013 ¹ | Year Ended February 29, 2012 ¹ | Year Ended February 28, 2011 | Year Ended February 28, 2010 | Period June 1, 2008 to February 28, 2009 | Year Ended May 31, 2008 |
|--|---|---|---------------------------------|---------------------------------|---|-------------------------------|
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 7.29 | \$ 7.42 | \$ 6.64 | \$ 4.19 | \$ 7.74 | \$ 9.07 |
| Net investment income ² | 0.63 | 0.62 | 0.65 | 0.65 | 0.50 | 0.75 |
| Net realized and unrealized gain (loss) | 0.45 | (0.14) | 0.74 | 2.53 | (3.50) | (1.32) |
| Net increase (decrease) from investment operations | 1.08 | 0.48 | 1.39 | 3.18 | (3.00) | (0.57) |
| Dividends from net investment income ³ | (0.61) | (0.61) | (0.61) | (0.73) | (0.55) | (0.76) |
| Net asset value, end of period | \$ 7.76 | \$ 7.29 | \$ 7.42 | \$ 6.64 | \$ 4.19 | \$ 7.74 |
| Market price, end of period | \$ 8.04 | \$ 7.76 | \$ 7.03 | \$ 6.88 | \$ 3.91 | \$ 7.28 |
| Total Investment Return⁴ | | | | | | |
| Based on net asset value | 15.53% | 7.15% | 22.11% | 79.91% | (38.98)% ⁵ | (5.49)% |
| Based on market price | 12.44% | 20.39% | 11.66% | 99.76% | (39.46)% ⁵ | (4.81)% |
| Ratios to Average Net Assets | | | | | | |
| Total expenses | 1.25% | 1.15% | 1.18% | 1.18% | 2.29% ⁶ | 2.33% |
| Total expenses after fees waived and paid indirectly | 1.25% | 1.15% | 1.18% | 1.18% | 2.29% ⁶ | 2.33% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and income tax | 0.92% ⁷ | 0.90% | 0.89% | 0.92% | 1.17% ⁶ | 0.83% |
| Net investment income | 8.48% | 8.67% | 9.28% | 11.36% | 11.45% ⁶ | 9.15% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 271,617 | \$ 254,176 | \$ 257,909 | \$ 230,593 | \$ 144,800 | \$ 267,698 |
| Borrowings outstanding, end of period (000) | \$ 98,000 | \$ 67,000 | \$ 63,000 | \$ 72,000 | \$ 38,700 | \$ 64,700 |
| Average borrowings outstanding, during the period (000) | \$ 91,655 | \$ 63,281 | \$ 55,304 | \$ 42,184 | \$ 59,553 | \$ 81,598 |
| Portfolio turnover | 74% | 71% | 83% | 85% | 37% | 38% |
| Asset coverage, end of period per \$1,000 | \$ 3,772 | \$ 4,794 | \$ 5,094 | \$ 4,203 | \$ 4,742 | \$ 5,138 |

¹ Consolidated Financial Highlights.

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- ² Based on average shares outstanding.
- ³ Dividends are determined in accordance with federal income tax regulations.
- ⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- ⁵ Aggregate total investment return.
- ⁶ Annualized.
- ⁷ For the year ended February 28, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 0.86%.

See Notes to Consolidated Financial Statements.

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Table of Contents**Financial Highlights****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

| | Year Ended February 28, 2013 ¹ | Year Ended February 29, 2012 ¹ | Year Ended February 28, 2011 | 2010 | Period June 1, 2008 to February 28, 2009 | Year Ended May 31, 2008 |
|--|---|--|---------------------------------|------------|---|-------------------------------|
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 7.41 | \$ 7.56 | \$ 6.69 | \$ 4.05 | \$ 7.62 | \$ 8.99 |
| Net investment income ² | 0.64 | 0.63 | 0.65 | 0.64 | 0.50 | 0.73 |
| Net realized and unrealized gain (loss) | 0.50 | (0.15) | 0.83 | 2.68 | (3.51) | (1.33) |
| Net increase (decrease) from investment operations | 1.14 | 0.48 | 1.48 | 3.32 | (3.01) | (0.60) |
| Dividends from net investment income ³ | (0.67) | (0.63) | (0.61) | (0.68) | (0.56) | (0.77) |
| Net asset value, end of period | \$ 7.88 | \$ 7.41 | \$ 7.56 | \$ 6.69 | \$ 4.05 | \$ 7.62 |
| Market price, end of period | \$ 7.89 | \$ 7.75 | \$ 7.14 | \$ 6.67 | \$ 3.57 | \$ 7.03 |
| Total Investment Return⁴ | | | | | | |
| Based on net asset value | 16.16% | 7.11% | 23.50% | 86.65% | (39.69)% ⁵ | (5.69)% |
| Based on market price | 11.20% | 18.62% | 16.99% | 111.12% | (42.38)% ⁵ | (8.30)% |
| Ratios to Average Net Assets | | | | | | |
| Total expenses | 1.42% | 1.38% | 1.37% | 1.34% | 2.45% ⁶ | 2.47% |
| Total expenses after fees waived and paid indirectly | 1.42% | 1.38% | 1.37% | 1.33% | 2.45% ⁶ | 2.47% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and income tax | 1.06% ⁷ | 1.08% | 1.03% | 1.04% | 1.29% ⁶ | 0.96% |
| Net investment income | 8.54% | 8.76% | 9.15% | 11.35% | 11.80% ⁶ | 9.01% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 296,008 | \$ 277,187 | \$ 282,259 | \$ 249,721 | \$ 151,261 | \$ 284,361 |
| Borrowings outstanding, end of period (000) | \$ 117,000 | \$ 86,000 | \$ 91,000 | \$ 76,000 | \$ 44,200 | \$ 71,700 |
| Average borrowings outstanding, during the period (000) | \$ 109,436 | \$ 83,997 | \$ 69,937 | \$ 49,196 | \$ 65,500 | \$ 88,466 |
| Portfolio turnover | 74% | 70% | 89% | 89% | 37% | 38% |
| Asset coverage, end of period per \$1,000 | \$ 3,530 | \$ 4,223 | \$ 4,102 | \$ 4,286 | \$ 4,422 | \$ 4,966 |

¹ Consolidated Financial Highlights.

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- ² Based on average shares outstanding.
- ³ Dividends are determined in accordance with federal income tax regulations.
- ⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- ⁵ Aggregate total investment return.
- ⁶ Annualized.
- ⁷ For the year ended February 28, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 1.00%.

See Notes to Consolidated Financial Statements.

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Table of Contents**Financial Highlights****BlackRock Debt Strategies Fund, Inc. (DSU)**

| | Year Ended February 28, | Year Ended February 29, | Year Ended February 28, | | |
|--|----------------------------|----------------------------|-------------------------|------------|------------|
| | 2013 ¹ | 2012 ¹ | 2011 | 2010 | 2009 |
| Per Share Operating Performance | | | | | |
| Net asset value, beginning of year | \$ 4.13 | \$ 4.28 | \$ 3.89 | \$ 2.35 | \$ 5.57 |
| Net investment income ² | 0.33 | 0.33 | 0.33 | 0.39 | 0.52 |
| Net realized and unrealized gain (loss) | 0.25 | (0.16) | 0.40 | 1.55 | (3.12) |
| Net increase (decrease) from investment operations | 0.58 | 0.17 | 0.73 | 1.94 | (2.60) |
| Dividends and distributions from: ³ | | | | | |
| Net investment income | (0.33) | (0.32) | (0.33) | (0.39) | (0.62) |
| Tax return of capital | | | (0.01) | (0.01) | |
| Total dividends and distributions | (0.33) | (0.32) | (0.34) | (0.40) | (0.62) |
| Net asset value, end of year | \$ 4.38 | \$ 4.13 | \$ 4.28 | \$ 3.89 | \$ 2.35 |
| Market price, end of year | \$ 4.46 | \$ 4.13 | \$ 4.05 | \$ 3.91 | \$ 2.07 |
| Total Investment Return⁴ | | | | | |
| Based on net asset value | 14.78% | 4.53% | 19.92% | 87.82% | (50.19)% |
| Based on market price | 16.87% | 10.47% | 12.90% | 114.32% | (54.99)% |
| Ratios to Average Net Assets | | | | | |
| Total expenses | 1.41% | 1.44% ⁵ | 1.27% | 1.23% | 2.42% |
| Total expenses after fees waived and paid indirectly | 1.41% | 1.44% ⁵ | 1.27% | 1.23% | 2.42% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and income tax | 1.04% ⁶ | 1.06% ⁶ | 1.02% | 1.02% | 1.20% |
| Net investment income | 7.89% | 7.99% ⁵ | 8.22% | 12.16% | 11.79% |
| Supplemental Data | | | | | |
| Net assets, end of year (000) | \$ 474,953 | \$ 445,824 | \$ 461,247 | \$ 419,222 | \$ 252,080 |
| Borrowings outstanding, end of year (000) | \$ 190,000 | \$ 145,000 | \$ 117,000 | \$ 67,000 | \$ 90,000 |
| Average borrowings outstanding, during the year (000) | \$ 177,975 | \$ 142,596 | \$ 89,362 | \$ 58,574 | \$ 163,286 |
| Portfolio turnover | 72% | 59% | 81% | 86% | 44% |
| Asset coverage, end of year per \$1,000 | \$ 3,500 | \$ 4,075 | \$ 4,942 | \$ 7,257 | \$ 3,801 |

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- ¹ Consolidated Financial Highlights.
- ² Based on average shares outstanding.
- ³ Dividends and distributions are determined in accordance with federal income tax regulations.
- ⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- ⁵ Restated to include income taxes for the consolidated entity.
- ⁶ For the years ended February 28, 2013 and February 29, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax were 0.98% and 0.95%, respectively.

See Notes to Consolidated Financial Statements.

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Table of Contents**Financial Highlights****BlackRock Senior High Income Fund, Inc. (ARK)**

| | Year Ended February 28, | Year Ended February 29, | Year Ended February 28, | | |
|--|----------------------------|----------------------------|-------------------------|------------|------------|
| | 2013 ¹ | 2012 ¹ | 2011 | 2010 | 2009 |
| Per Share Operating Performance | | | | | |
| Net asset value, beginning of year | \$ 4.15 | \$ 4.22 | \$ 3.91 | \$ 2.54 | \$ 5.04 |
| Net investment income ² | 0.32 | 0.32 | 0.32 | 0.36 | 0.41 |
| Net realized and unrealized gain (loss) | 0.20 | (0.06) | 0.32 | 1.31 | (2.43) |
| Net increase (decrease) from investment operations | 0.52 | 0.26 | 0.64 | 1.67 | (2.02) |
| Dividends and distributions from: ³ | | | | | |
| Net investment income | (0.32) | (0.33) | (0.33) | (0.30) | (0.43) |
| Tax return of capital | | | | | (0.05) |
| Total dividends and distributions | (0.32) | (0.33) | (0.33) | (0.30) | (0.48) |
| Net asset value, end of year | \$ 4.35 | \$ 4.15 | \$ 4.22 | \$ 3.91 | \$ 2.54 |
| Market price, end of year | \$ 4.34 | \$ 4.06 | \$ 4.18 | \$ 3.94 | \$ 2.21 |
| Total Investment Return⁴ | | | | | |
| Based on net asset value | 13.08% | 6.86% | 17.13% | 68.90% | (42.15)% |
| Based on market price | 15.32% | 5.54% | 15.13% | 95.61% | (48.33)% |
| Ratios to Average Net Assets | | | | | |
| Total expenses | 1.27% | 1.25% ⁵ | 1.13% | 1.13% | 2.24% |
| Total expenses after fees waived | 1.27% | 1.25% ⁵ | 1.13% | 1.13% | 2.24% |
| Total expenses after fees waived and excluding interest expense and income tax | 0.94% ⁶ | 0.94% ⁶ | 0.90% | 0.93% | 1.05% |
| Net investment income | 7.60% | 7.80% ⁵ | 7.83% | 10.70% | 9.96% |
| Supplemental Data | | | | | |
| Net assets, end of year (000) | \$ 247,124 | \$ 235,316 | \$ 238,760 | \$ 221,173 | \$ 143,643 |
| Borrowings outstanding, end of year (000) | \$ 98,000 | \$ 69,000 | \$ 50,000 | \$ 43,000 | \$ 47,000 |
| Average borrowings outstanding, during the year (000) | 85,071 | \$ 66,806 | \$ 41,405 | \$ 29,978 | \$ 79,422 |
| Portfolio turnover | 68% | 60% | 83% | 80% | 49% |
| Asset coverage, end of year per \$1,000 | \$ 3,522 | \$ 4,410 | \$ 5,775 | \$ 6,144 | \$ 4,056 |

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- ¹ Consolidated Financial Highlights.
- ² Based on average shares outstanding.
- ³ Dividends and distributions are determined in accordance with federal income tax regulations.
- ⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- ⁵ Restated to include income taxes for the consolidated entity.
- ⁶ For the years ended February 28, 2013 and February 29, 2012, the total expense ratio after fees waived and excluding interest expense, borrowing costs and income tax were 0.87% and 0.83%, respectively.

See Notes to Consolidated Financial Statements.

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Notes to Consolidated Financial Statements

1. Organization and Significant Accounting Policies:

BlackRock Corporate High Yield Fund, Inc. (COY), BlackRock Corporate High Yield Fund III, Inc. (CYE) and BlackRock Debt Strategies Fund, Inc. (DSU) are registered under the 1940 Act, as diversified, closed-end management investment companies. BlackRock Senior High Income Fund, Inc. (ARK) is registered under the 1940 Act, as a non-diversified, closed-end management investment company. COY, CYE, DSU and ARK are referred to collectively as the Funds or individually as a Fund . The Funds are organized as Maryland corporations. The Funds consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Boards of Directors of the Funds are collectively referred to throughout this report as the Board of Directors or the Board , and the directors thereof are collectively referred to throughout this report as Directors . The Funds determine and make available for publication the NAVs of their Common Shares on a daily basis.

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

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of BLK COY (Luxembourg) Investments, S.a.r.l. and BLK CYE (Luxembourg) Investments, S.a.r.l. (the Luxembourg Subsidiaries) and DSU Subsidiary, LLC and ARK Subsidiary, LLC (the US Subsidiaries), all of which are wholly owned taxable subsidiaries of each respective Fund (Taxable Subsidiaries). The US Subsidiaries enable the Funds to hold investments in operating companies and satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investments held by the US Subsidiaries are taxable to such subsidiaries. The Luxembourg Subsidiaries hold shares of private Canadian companies. These shares are held in the Luxembourg Subsidiaries in order to realize benefits under the Double Tax Avoidance Convention between Canada and Luxembourg, the result of which is gains on the sale of such shares will not be subject to capital gains taxes in Canada. Income earned on the investments held by the Taxable Subsidiaries may be taxable to such subsidiaries in Luxembourg. A tax provision for income, if any, is shown as income tax in the Consolidated Statements of Operations. A tax provision for income from realized and unrealized gains, if any, is included as a reduction of realized and unrealized gain (loss) in the Consolidated Statements of Operations. Each Fund may invest up to 25% of its total assets in the US Subsidiary. Intercompany accounts and transactions have been eliminated. Both the US and Luxembourg Subsidiaries are subject to the same investment policies and restrictions that apply to the Funds.

Valuation: US GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds determine the fair value of their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The Global Valuation Committee is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Funds for all financial instruments.

The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. Swap agreements are valued utilizing quotes received daily by the Funds pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System (NASDAQ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price. If no bid price is available, the prior day s price will be used, unless it is determined that such prior day s price no longer reflects the fair value of the security.

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Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange (NYSE). Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter (OTC) options and swaptions are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

Table of Contents**Notes to Consolidated Financial Statements (continued)**

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee deem 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. A market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of each Fund s pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of each Fund s net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to affect the value of such instruments materially, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Global Valuation Committee using a pricing service and/or policies approved by the Board.

Foreign Currency: The Funds books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the US dollar rises in value against a foreign currency, the Funds investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Funds 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 Consolidated Statements of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. The Funds report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Asset-Backed Securities: The Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. In addition, the Funds may have to subsequently reinvest the proceeds at lower interest rates. If the Funds 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.

Zero-Coupon Bonds: The Funds 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.

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Capital Trusts: The Funds may invest in capital trusts. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities.

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Preferred Stock: The Funds may invest in preferred stock. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Floating Rate Loan Interests: The Funds may invest in floating rate loan interests. The floating rate loan interests the Funds hold are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Funds may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as the London Interbank Offered Rate (LIBOR), the prime rate offered by one or more US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Funds consider these investments to be investments in debt securities for purposes of their investment policies.

When the Fund 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 Funds 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 Funds upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Funds 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 Funds 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 Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Funds may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds' 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 Funds may be treated as general creditors of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Funds having a direct contractual relationship with the borrower and the Funds may enforce compliance by the borrower with the terms of the loan agreement.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that each Fund either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts, options written or swaps), or certain borrowings (e.g., loan payable), each Fund will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, a fund engaging in such transactions may have requirements to deliver/deposit securities to/with an exchange or broker-dealer as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

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Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The portion of distributions that exceeds a Fund's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Distributions in excess of a Fund's taxable income and net capital gains, but not in excess of a Fund's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. Capital losses carried forward from years beginning before 2011 do not reduce earnings and profits, even if such carried forward losses offset current year realized gains. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

Income Taxes: It is the Funds' policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to RICs and

Table of Contents**Notes to Consolidated Financial Statements (continued)**

to distribute substantially all of their taxable income to its shareholders. Therefore, no federal income tax provision is required.

The Funds file US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds US federal tax returns remains open for each of the four years ended February 28, 2013. The statutes of limitations on the Funds state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Recent Accounting Standards: In December 2011, the Financial Accounting Standards Board (the FASB) issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements, which are eligible for offset in the Consolidated Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. In January 2013, the FASB issued guidance that clarifies which investments and transactions are subject to the offsetting disclosure requirements. The scope of the disclosure requirements for offsetting will be limited to derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds consolidated financial statement disclosures.

Deferred Compensation Plan: Under the Deferred Compensation Plan (the Plan) approved by each Fund's Board, the independent Directors (Independent Directors) 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 Directors. This has the same economic effect for the Independent Directors as if the Independent Directors 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 Fund. Deferred compensation liabilities are included in officer's and directors' fees payable in the Consolidated Statements of Assets and Liabilities and will remain as a liability of the Funds until such amounts are distributed in accordance with the Plan.

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

The Funds have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Consolidated Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk or foreign currency exchange rate risk). These contracts may be transacted on an exchange or OTC.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Funds maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Funds bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Options written by the Funds do not give rise to counterparty credit risk, as options written obligate the Funds and not the counterparty to perform. Counterparty risk related to exchange-traded financial futures contracts, options and centrally cleared swaps is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

The Funds may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. master agreement (ISDA Master Agreement) implemented between a Fund and each of its respective counterparties. An ISDA Master Agreement allows each Fund to offset with each separate counterparty certain derivative financial instrument's payables and/or receivables with collateral held. The amount of collateral moved to/from applicable counterparties is generally based upon

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minimum transfer amounts of up to \$500,000. To the extent amounts due to the Funds from their counterparties are not fully collateralized, contractually or otherwise, the Funds bear the risk of loss from counterparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices. In addition, the Funds manage counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event a Funds net assets decline by a stated percentage or the Fund fails to meet the terms of their ISDA Master Agreements, which would cause the Funds to accelerate payment of any net liability owed to the counterparty.

Financial Futures Contracts: The Funds purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in value of equity securities (equity risk). Financial futures contracts are agreements between the Fund 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

Table of Contents**Notes to Consolidated Financial Statements (continued)**

settlement date. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Funds as unrealized appreciation or depreciation. When the contract is closed, the Funds 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 rates and the underlying assets.

Foreign Currency Exchange Contracts: The Funds enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Fund, help to manage the overall exposure to the currencies, in which some of the investments held by the Fund are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies and the risk that the counterparty to the contract does not perform its obligations under the agreement.

Options: The Funds purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk, interest rate risk and/or commodity price risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised), the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Funds purchase (write) an option, an amount equal to the premium paid (received) by the Funds 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 Funds enter into a closing transaction), the Funds realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Funds write a call option, such option is covered, meaning that the Funds holds the underlying instrument subject to being called by the option counterparty. When the Funds write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

In purchasing and writing options, the Funds bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Funds may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Funds purchasing or selling a security at a price different from the current market value.

Swaps: The Funds enter into swap agreements, in which the Fund 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 or centrally cleared (centrally cleared swaps). 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 Fund faces the CCP through a future commission merchant. Unlike a bilateral swap agreement, for centrally cleared swaps, the Fund has no credit exposure to the counterparty as the CCP stands between the Fund and the counterparty. These payments received or made by the Funds are recorded in the Consolidated Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, in the Consolidated Statements of Assets and Liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of centrally cleared swaps, if any, is recorded as a receivable or payable for variation margin in the Consolidated Statements of Assets and Liabilities. When the swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds' basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Consolidated 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.

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Credit default swaps The Funds 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 Funds 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 agree-

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Notes to Consolidated Financial Statements (continued)

ments in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, the Funds will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Funds 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 Funds enter into interest rate swaps to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds, which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

Derivative Financial Instruments Categorized by Risk Exposure:**Fair Values of Derivative Financial Instruments as of February 28, 2013**

| | | Asset Derivatives | | | |
|--|--|-----------------------|----------------|----------------|-------------|
| | | COY | CYE | DSU | ARK |
| Consolidated Statements of Assets and Liabilities Location | | Value | | | |
| Foreign currency exchange contracts | Unrealized appreciation on foreign currency exchange contracts | \$ 949,539 | \$ 1,022,011 | \$ 928,123 | \$ 20,204 |
| Credit contracts | Unrealized appreciation on swaps; swap premiums paid | 920,445 | 961,946 | 273,098 | |
| Equity contracts | Investments at value-unaffiliated ¹ | 1,960 | 2,140 | | |
| Total | | \$ 1,871,944 | \$ 1,986,097 | \$ 1,201,221 | \$ 20,204 |
| | | Liability Derivatives | | | |
| | | COY | CYE | DSU | ARK |
| Consolidated Statements of Assets and Liabilities Location | | Value | | | |
| Foreign currency exchange contracts | Unrealized depreciation on foreign currency exchange contracts | \$ (5,376) | | | |
| Credit contracts | Unrealized depreciation on swaps; swap premiums received | (1,191,444) | \$ (1,243,146) | \$ (1,172,885) | \$ (54,622) |
| Equity contracts. | Net unrealized appreciation/depreciation ² ; Options written at value | (110,025) | (118,483) | | |
| Total | | \$ (1,306,845) | \$ (1,361,629) | \$ (1,172,885) | \$ (54,622) |

¹ Includes options purchased at value as reported in the Consolidated Schedules of Investments.

² Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps, if any, as reported in the Consolidated Schedules of Investments. Only current day's variation margin is reported within the Consolidated Statements of Assets and Liabilities.

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Notes to Consolidated Financial Statements (continued)

The Effect of Derivative Financial Instruments in the Consolidated Statements of Operations

Year Ended February 28, 2013

| | Net Realized Gain (Loss) From | | | |
|--------------------------------------|---|---------------------|-----------------------|---------------------|
| | COY | CYE | DSU | ARK |
| Interest rate contracts: | | | | |
| Options ¹ | \$ 15,600 | \$ 17,025 | | |
| Foreign currency exchange contracts: | | | | |
| Foreign currency transactions | (956,437) | (896,788) | \$ (908,737) | \$ (27,092) |
| Credit contracts: | | | | |
| Swaps | 976,481 | 1,005,453 | (302,636) | (298,156) |
| Equity contracts: | | | | |
| Financial futures contracts | (785,888) | (831,838) | | |
| Options ¹ | (85,225) | (117,671) | | |
| Total | \$ (835,469) | \$ (823,819) | \$ (1,211,373) | \$ (325,248) |
| | | | | |
| | Net Change in Unrealized Appreciation/Depreciation on | | | |
| | COY | CYE | DSU | ARK |
| Foreign currency exchange contracts: | | | | |
| Foreign currency translations | \$ 1,850,606 | \$ 1,953,019 | \$ 1,678,148 | \$ 33,113 |
| Credit contracts: | | | | |
| Swaps | 445,683 | 476,087 | 270,624 | (1,286) |
| Equity contracts: | | | | |
| Financial futures contracts | 198,467 | 195,269 | | |
| Options ¹ | 202,288 | 216,531 | | |
| Total | \$ 2,697,044 | \$ 2,840,906 | \$ 1,948,772 | \$ 31,827 |

¹ Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the year ended February 28, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

| | COY | CYE | DSU | ARK |
|--|---------------|---------------|---------------|--------------|
| Financial futures contracts: | | | | |
| Average number of contracts sold | 75 | 80 | | |
| Average notional value of contracts purchased | | | | |
| Average notional value of contracts sold | \$ 5,231,278 | \$ 5,549,471 | | |
| Foreign currency exchange contracts: | | | | |
| Average number of contracts-US dollars purchased | 12 | 12 | 10 | 1 |
| Average number of contracts-US dollars sold | 3 | 4 | 3 | 1 |
| Average US dollar amounts purchased | \$ 30,405,883 | \$ 31,187,252 | \$ 29,041,340 | \$ 496,106 |
| Average US dollar amounts sold | \$ 1,188,869 | \$ 1,467,047 | \$ 1,838,468 | \$ 117,742 |
| Options: | | | | |
| Average number of option contracts purchased | 227 | 245 | | |
| Average number of option contracts written | 185 | 199 | | |
| Average notional value of option contracts purchased | \$ 2,629,529 | \$ 2,828,664 | | |
| Average notional value of option contracts written | \$ 2,257,000 | \$ 2,424,750 | | |
| Average number of swaption contracts written | 1 | 1 | | |
| Average notional value of swaption contracts written | \$ 2,285,000 | \$ 2,483,750 | | |
| Credit default swaps: | | | | |
| Average number of contracts-buy protection | 7 | 7 | | |
| Average number of contracts-sell protection | 19 | 17 | 4 | 1 |
| Average notional value-buy protection | \$ 1,872,750 | \$ 2,030,250 | | |
| Average notional value-sell protection | \$ 10,052,806 | \$ 10,650,518 | \$ 4,246,114 | \$ 2,404,689 |

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Notes to Consolidated Financial Statements (continued)

3. Investment Advisory Agreement and Other Transactions with Affiliates:

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

Each Fund entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Funds investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund s portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee based on a percentage of each Fund s average daily net assets, plus the proceeds of any outstanding borrowings used for leverage, at the following annual rates:

| | |
|-----|-------|
| COY | 0.50% |
| CYE | 0.60% |
| DSU | 0.60% |
| ARK | 0.50% |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund 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 Fund s investment in other affiliated investment companies, if any. This amount is shown as fees waived by Manager in the Consolidated Statements of Operations.

The Manager provides investment management and other services to the Taxable Subsidiaries. The Manager does not receive separate compensation from the Subsidiaries for providing investment management or administrative services. However, each Fund pays the Manager based on the Fund s net assets, which includes the assets of the Taxable Subsidiaries.

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

Certain officers and/or Directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of compensation paid to the Funds Chief Compliance Officer, which is included in officer and directors in the Consolidated Statements of Operations.

4. Investments:

Purchases and sales of investments including paydowns and excluding short-term securities for the year ended February 28 2013, were as follows:

| | Purchases | Sales |
|-----|----------------|----------------|
| COY | \$ 294,490,098 | \$ 259,606,492 |
| CYE | \$ 323,394,677 | \$ 289,790,688 |
| DSU | \$ 541,107,169 | \$ 468,550,432 |
| ARK | \$ 264,457,713 | \$ 224,419,691 |

Transactions in options written for the year ended February 28, 2013 were as follows:

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| | Calls | | | |
|--|-----------------------------|----------------------|-----------------|----------------------|
| | COY | | CYE | |
| | Notional | | Notional | |
| | Notional Amount (000) | Premiums Received | Amount (000) | Premiums Received |
| Outstanding options, beginning of year | | | | |
| Options written | \$ 4,050 | \$ 27,540 | \$ 4,400 | \$ 29,920 |
| Options exercised | | | | |
| Options expired | | | | |
| Options closed | | | | |
| Outstanding options, end of year | \$ 4,050 | \$ 27,540 | \$ 4,400 | \$ 29,920 |

| | Puts | | | | | |
|--|-----------|-----------------|----------------------|-----------|-----------------|----------------------|
| | COY | | | CYE | | |
| | Notional | | | Notional | | |
| | Contracts | Amount (000) | Premiums Received | Contracts | Amount (000) | Premiums Received |
| Outstanding options, beginning of year | 1,075 | | \$ 76,897 | 1,140 | | \$ 81,580 |
| Options written | 3,240 | \$ 5,090 | 303,371 | 3,295 | \$ 5,535 | 316,255 |
| Options exercised | | | | | | |
| Options expired | | (1,040) | (15,600) | | (1,135) | (17,025) |
| Options closed | (4,315) | | (293,793) | (4,435) | | (303,810) |
| Outstanding options, end of year | | \$ 4,050 | \$ 70,875 | | \$ 4,400 | \$ 77,000 |

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Notes to Consolidated Financial Statements (continued)

5. Income Tax Information:

US GAAP require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of February 28, 2013 attributable to the accounting for swap agreements, amortization methods on fixed income securities, foreign currency transactions, the sale of stock of passive foreign investment companies, income recognized from pass-through entities and the expiration of capital loss carryforwards were reclassified to the following accounts:

| | COY | CYE | DSU | ARK |
|-------------------------------------|--------------|----------------|-----------------|--------------|
| Paid-in capital | | \$ (51) | \$ (21,126,025) | |
| Undistributed net investment income | \$ (774,016) | \$ (1,095,569) | \$ (2,475,721) | \$ 343,324 |
| Accumulated net realized loss | \$ 774,016 | \$ 1,095,620 | \$ 23,601,746 | \$ (343,324) |

The tax character of distributions paid during the fiscal years ended February 28, 2013 and February 29, 2012 was as follows:

| | | COY | CYE | DSU | ARK |
|-----------------|---------|---------------|---------------|---------------|---------------|
| Ordinary income | 2/28/13 | \$ 21,373,512 | \$ 25,164,743 | \$ 36,132,115 | \$ 18,272,730 |
| | 2/29/12 | 21,290,884 | 23,502,064 | 34,943,170 | 18,750,192 |
| Total | 2/28/13 | \$ 21,373,512 | \$ 25,164,743 | \$ 36,132,115 | \$ 18,272,730 |
| | 2/29/12 | \$ 21,290,884 | \$ 23,502,064 | \$ 34,943,170 | \$ 18,750,192 |

As of February 28, 2013, the tax components of accumulated net losses were as follows:

| | COY | CYE | DSU | ARK |
|--|-----------------|-----------------|------------------|------------------|
| Undistributed ordinary income | \$ 6,244,497 | \$ 4,183,401 | \$ 3,582,827 | \$ 3,648,198 |
| Capital loss carryforwards | (50,429,432) | (46,093,702) | (260,658,770) | (109,332,689) |
| Net unrealized gains (losses) ¹ | 9,355,878 | 11,626,529 | (25,504,109) | 2,646,066 |
| Qualified late-year losses ² | | | (2,778,562) | |
| Total | \$ (34,829,057) | \$ (30,283,772) | \$ (285,358,614) | \$ (103,038,425) |

¹ The differences between book-basis and tax-basis net unrealized gains (losses) were attributable primarily to the tax deferral of losses on wash sales, amortization methods for premiums and discounts on fixed income securities, the accrual of income on securities in default, the realization for tax purposes of unrealized gains/losses on certain futures and foreign currency contracts, the timing and recognition of partnership income, the accounting for swap agreements, investments in passive foreign investment companies, the classification of settlement proceeds, the deferral of compensation to directors and investments in wholly owned subsidiaries.

² The fund has elected to defer certain qualified late year losses and recognize such losses in the year ended February 28, 2014. As of February 28, 2013, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires February 28, 2014 | COY | CYE | DSU | ARK |
|------------------------------|-----|-----|---------------|--------------|
| | | | \$ 20,233,987 | \$ 4,906,362 |

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| | | | | |
|---------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| 2015 | | | 3,578,574 | 1,585,622 |
| 2017 | \$ 14,106,195 | \$ 12,258,925 | 56,690,782 | 27,675,242 |
| 2018 | 36,323,237 | 33,834,777 | 148,062,952 | 60,685,648 |
| 2019 | | | 16,301,990 | 9,564,345 |
| No expiration date ³ | | | 15,790,485 | 4,915,470 |
| Total | \$ 50,429,432 | \$ 46,093,702 | \$ 260,658,770 | \$ 109,332,689 |

³ Must be utilized prior to losses subject to expiration.

During the year ended February 28, 2013, the funds listed below utilized the following amounts of their respective capital loss carryover:

| | |
|-----|---------------|
| COY | \$ 9,710,366 |
| CYE | \$ 10,417,038 |
| DSU | |
| ARK | \$ 1,713,582 |

As of February 28, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

| | COY | CYE | DSU | ARK |
|--|----------------|----------------|-----------------|----------------|
| Tax cost | \$ 365,968,205 | \$ 409,558,458 | \$ 728,463,300 | \$ 361,978,170 |
| Gross unrealized appreciation | \$ 21,196,807 | \$ 23,886,415 | \$ 31,292,184 | \$ 14,208,466 |
| Gross unrealized depreciation | (13,097,649) | (13,255,807) | (53,019,459) | (9,309,497) |
| Net unrealized appreciation (depreciation) | \$ 8,099,158 | \$ 10,630,608 | \$ (21,727,275) | \$ 4,898,969 |

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Notes to Consolidated Financial Statements (continued)

6. Borrowings:

Effective March 3, 2011, the Funds were party to a senior committed secured, 364-day revolving line of credit and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). The Funds have granted a security interest in substantially all of their assets to SSB. The SSB Agreement allowed for the following maximum commitment amounts:

| | Commitment |
|-----|-------------------|
| | Amounts |
| COY | \$ 126,600,000 |
| CYE | \$ 138,000,000 |
| DSU | \$ 224,500,000 |
| ARK | \$ 117,500,000 |

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

Effective March 2, 2012, the SSB Agreement was renewed for an additional 364 days. The SSB Agreement allows for the following maximum commitment amounts:

| | Commitment |
|-----|-------------------|
| | Amounts |
| COY | \$ 126,600,000 |
| CYE | \$ 138,000,000 |
| DSU | \$ 224,500,000 |
| ARK | \$ 117,500,000 |

Advances were made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% above 7-day, 30-day, 60-day or 90-day LIBOR.

On March 1, 2013, the SSB Agreement was renewed and amended from a 364-day revolving line of credit to a 360-day rolling facility whereby SSB may elect to terminate its commitment upon 360-days written notice to the Funds at any time after February 24, 2014. The SSB Agreement allows for the following maximum commitment amounts:

| | Commitment |
|-----|-------------------|
| | Amounts |
| COY | \$ 132,000,000 |
| CYE | \$ 144,000,000 |
| DSU | \$ 231,000,000 |
| ARK | \$ 122,000,000 |

Advances will be made by SSB to the Funds, at the Funds' 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, the Funds pay a facility fee and utilization fee (based on the daily unused portion of the commitments). The commitment fees are waived if the Funds meet certain conditions. The fees associated with each of the agreements are included in the Consolidated Statements of Operations as borrowing costs. Advances to the Funds as of February 28, 2013 are shown in the Consolidated Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying

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amount of the borrowings approximates fair value.

For the year ended February 28, 2013, the daily weighted average interest rates for Funds with loans under the revolving credit agreements were as follows:

| | |
|-----|-------|
| COY | 0.94% |
| CYE | 0.94% |
| DSU | 0.94% |
| ARK | 0.94% |

7. Commitments:

The Funds may invest in floating rate loan interests. In connection with these investments, the Funds may also enter into unfunded floating rate loan interests and bridge loan commitments (commitments). Bridge loan commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be arranged. As of February 28, 2013, the Funds had no outstanding bridge loan commitments.

In connection with either of these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Consolidated Statements of Operations, is recognized ratably over the commitment period. Commitment fees received in advance and unrecognized are recorded on the Consolidated Statements of Assets and Liabilities as deferred income. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Consolidated Statements of Assets and Liabilities and Consolidated Statements of Operations. As for February 28, 2013, the Funds had the following unfunded floating rate loan interests:

| | Borrower | Unfunded Floating Rate Loan Interest | Value of Underlying Floating Rate Loan Interest | Unrealized Appreciation (Depreciation) |
|-----|-------------------------|---|---|--|
| DSU | Leslie's Poolmart, Inc. | \$ 21,520 | \$ 21,757 | \$ 237 |
| ARK | Leslie's Poolmart, Inc. | \$ 11,280 | \$ 11,404 | \$ 124 |

8. Concentration, Market and Credit Risk:

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds 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 Funds to market, issuer and counterparty credit risks, consist

Table of Contents**Notes to Consolidated Financial Statements (concluded)**

principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Consolidated Statements of Assets and Liabilities, less any collateral held by the Funds.

9. Capital Share Transactions:

Each Fund is authorized to issue 200 million shares, all of which were initially classified as Common Shares. Each Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

For the years ended February 28, 2013 and February 29, 2012, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

| | Year Ended February 28, 2013 | Year Ended February 29, 2012 |
|-----|---|---|
| COY | 148,225 | 102,019 |
| CYE | 132,113 | 53,550 |
| DSU | 394,680 | 195,440 |
| ARK | 191,128 | 55,454 |

10. Subsequent Events:

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

Each Fund paid a net investment income dividend on March 28, 2013 to Common Shareholders of record on March 15, 2013 as follows:

| | Common Dividend Per Share |
|-----|--|
| COY | \$ 0.0510 |
| CYE | \$ 0.0525 |
| DSU | \$ 0.0270 |
| ARK | \$ 0.0250 |

Additionally, the Funds declared a net investment income dividend on April 1, 2013 payable to Common Shareholders of record on April 15, 2013 for the same amounts noted above.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of

BlackRock Corporate High Yield Fund, Inc.,

BlackRock Corporate High Yield Fund III, Inc.,

BlackRock Debt Strategies Fund, Inc., and

BlackRock Senior High Income Fund, Inc.:

We have audited the accompanying consolidated statements of assets and liabilities, including the consolidated schedules of investments, of BlackRock Corporate High Yield Fund, Inc., BlackRock Corporate High Yield Fund III, Inc., BlackRock Debt Strategies Fund, Inc. and BlackRock Senior High Income Fund, Inc. (the Funds), as of February 28, 2013, and the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for each of the two years in the period then ended and the consolidated financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of the securities owned as of February 28, 2013, by correspondence with the custodian, brokers and agent banks; where replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Corporate High Yield Fund, Inc., BlackRock Corporate High Yield Fund III, Inc., BlackRock Debt Strategies Fund, Inc. and BlackRock Senior High Income Fund, Inc. as of February 28, 2013, the consolidated results of their operations and their cash flows for the year then ended, the consolidated changes in their net assets for each of the two years in the period then ended, and the consolidated financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Boston, Massachusetts

April 26, 2013

Important Tax Information (Unaudited)

The following information is provided with respect to the ordinary income distributions paid by the Funds during the fiscal year ended February 28, 2013.

**Interest-Related Dividends for Non-US
Residents¹**

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| Month(s) Paid: | COY | CYE | DSU | ARK |
|------------------------|--------|--------|--------|--------|
| March 2012 | 48.44% | 43.45% | 98.27% | 64.57% |
| April 2012 | 48.44% | 81.84% | 77.96% | 64.57% |
| May 2012 | 81.86% | 81.84% | 77.96% | 83.57% |
| June 2012 January 2013 | 94.06% | 81.84% | 77.96% | 92.56% |
| February 2013 | 32.73% | 51.38% | 76.45% | 54.12% |

| Month(s) Paid: | Qualified Dividend Income for Individuals | | Dividends Qualifying for the Dividend Received Deduction for Corporations | |
|-------------------------|--|-------|--|-------|
| | COY | CYE | COY | CYE |
| March 2012 January 2013 | 5.25% | 5.45% | 5.25% | 5.45% |
| February 2013 | 0.51% | 0.74% | 0.51% | 0.74% |

¹ Represents the portion of the taxable ordinary income dividends eligible for exemption from US withholding tax for nonresident aliens and foreign corporations.

Table of Contents**Automatic Dividend Reinvestment Plan**

Pursuant to each Fund's Dividend Reinvestment Plan (the "Reinvestment Plan"), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the "Reinvestment Plan Agent") in the respective Fund's shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then to the nominee) by the Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After the Funds declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participant's accounts, depending upon the following circumstances, either (i) through receipt of unissued but authorized shares from the Funds ("newly issued shares") or (ii) by purchase of outstanding shares on the open market or on the Fund's primary exchange ("open-market purchases"). If, on the dividend payment date, the net asset value per share ("NAV") is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market premium"), the Reinvestment Plan Agent will invest the dividend amount in newly issued shares acquired on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the dividend payment date, the dollar amount of the dividend will be divided by 95% of the market price on the dividend payment date. If, on the dividend payment date, the NAV is greater than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market discount"), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares. Investments in newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the dividend payment date.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent prior to the dividend record date. Additionally, the Reinvestment Plan Agent seeks to process notices received after the record date but prior to the payable date and such notices often will become effective by the payable date. Where late notices are not processed by the applicable payable date, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

The Reinvestment Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by each Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Reinvestment Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Each Fund reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan. However, each Fund reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants in COY and CYE that request a sale of shares are subject to a \$2.50 sales fee and a \$0.15 per share fee. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay. Participants in DSU and ARK that request a sale of shares are subject to a \$0.02 per share sold brokerage commission. All correspondence concerning the Reinvestment Plan should be directed to Computershare Trust Company, N.A. through the internet at <http://www.computershare.com/blackrock>, or in writing to Computershare, P.O. Box 43078, Providence, RI 02940-3078, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at 250 Royall Street, Canton, MA 02021.

Table of Contents**Officers and Directors**

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served as a Director ² | Principal Occupation(s) During Past Five Years | Number of BlackRock- Advised Registered Investment Companies (RICs) Consisting of Investment Portfolios Public (Portfolios) Overseen Directorships | |
|--|--|---|--|---|----------------------------------|
| | | | | | |
| Independent Directors¹ | | | | | |
| Richard E. Cavanagh 55 East 52nd Street New York, NY 10055 | Chairman of the Board and Director | Since 2007 | Trustee, Aircraft Finance Trust from 1999 to 2009; Director, The Guardian Life Insurance Company of America since 1998; Director, Arch Chemical (chemical and allied products) from 1999 to 2011; Trustee, Educational Testing Service from 1997 to 2009 and Chairman thereof from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer, The Conference Board, Inc. (global business research organization) from 1995 to 2007. | 93 RICs consisting of 89 Portfolios | None |
| Karen P. Robards 55 East 52nd Street New York, NY 10055 | Vice Chairperson of the Board, Chairperson of the Audit Committee and Director | Since 2007 | Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development (a not-for-profit organization) since 1987; Director of Care Investment Trust, Inc. (health care real estate investment trust) from 2007 to 2010; Investment Banker at Morgan Stanley from 1976 to 1987. | 93 RICs consisting of 89 Portfolios | AtriCure, Inc. (medical devices) |
| Michael J. Castellano 55 East 52nd Street New York, NY 10055 | Director and Member of the Audit Committee | Since 2011 | Managing Director and Chief Financial Officer of Lazard Group LLC from 2001 to 2011; Chief Financial Officer of Lazard Ltd from 2004 to 2011; Director, Support Our Aging Religious (non-profit) since 2009; Director, National Advisory Board of Church Management at Villanova University since 2010. | 93 RICs consisting of 89 Portfolios | None |
| Frank J. Fabozzi 55 East 52nd Street New York, NY 10055 | Director and Member of the Audit Committee | Since 2007 | Editor of and Consultant for The Journal of Portfolio Management since 1986; Professor of Finance, EDHEC Business School since 2011; Professor in the Practice of Finance and Becton Fellow, Yale University School of Management from 2006 to 2011; Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006. | 93 RICs consisting of 89 Portfolios | None |

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| | | | | | |
|--|---|-----------------------|--|--|--|
| <p>1948 Kathleen F. Feldstein</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Director</p> | <p>Since 2007</p> | <p>President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Trustee Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. from 2005 to 2009; Member of the Corporation of Partners HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Director, Catholic Charities of Boston since 2009.</p> | <p>93 RICs consisting of 89 Portfolios</p> | <p>The McClatchy Company (publishing); BellSouth (telecommunications); Knight Ridder (publishing)</p> |
| <p>1941 James T. Flynn</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Director and Member of the Audit Committee</p> | <p>Since 2007</p> | <p>Chief Financial Officer of JPMorgan & Co., Inc. from 1990 to 1995.</p> | <p>93 RICs consisting of 89 Portfolios</p> | <p>None</p> |
| <p>1939 Jerrold B. Harris</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Director</p> | <p>Since 2007</p> | <p>Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation since 2001; President and Chief Executive Officer, VWR Scientific Products Corporation from 1990 to 1999.</p> | <p>93 RICs consisting of 89 Portfolios</p> | <p>BlackRock Kelso Capital Corp. (business development company)</p> |
| <p>1942 R. Glenn Hubbard</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Director</p> | <p>Since 2007</p> | <p>Dean, Columbia Business School since 2004; Columbia faculty member since 1988; Co-Director, Columbia Business School's Entrepreneurship Program from 1997 to 2004; Chairman, U.S. Council of Economic Advisers under the President of the United States from 2001 to 2003; Chairman, Economic Policy Committee of the OECD from 2001 to 2003.</p> | <p>93 RICs consisting of 89 Portfolios</p> | <p>ADP (data and information services); KKR Financial Corporation (finance); Metropolitan Life Insurance Company (insurance)</p> |
| <p>1958</p> | | | | | |

Table of Contents**Officers and Directors (continued)**

| Name, Address and Year of Birth Independent Directors ¹ (concluded) | Position(s) Held with Funds | Length of Time Served as a Director ² | Principal Occupation(s) During Past Five Years | Number of BlackRock- Advised Registered Investment Companies (RICs) Consisting of Investment Portfolios Public (Portfolios) Overseen Directorships | |
|---|---|---|---|---|------|
| | | | | | |
| W. Carl Kester 55 East 52nd Street New York, NY 10055 | Director and Member of the Audit Committee | Since 2007 | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Department, Harvard Business School from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School from 1999 to 2005; Member of the faculty of Harvard Business School since 1981. | 93 RICs consisting of 89 Portfolios | None |

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¹ Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Director by action of a majority of the Directors upon finding good cause thereof. In 2011 and 2012, the Board of Directors unanimously approved extending the mandatory retirement age for James T. Flynn by additional one-year periods, which the Board believes would be in the best interest of shareholders.

² Date shown is the earliest date a person has served for the Funds covered by this annual report. Following the combination of Merrill Lynch Investment Managers, L.P. (MLIM) and BlackRock, Inc. (BlackRock) in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. As a result, although the chart shows certain Directors as joining the Funds' board in 2007, those Directors first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995 and Karen P. Robards, 1998.

Interested Directors³

| | | | | | |
|--|----------|---------------|---|--|------|
| Paul L. Audet 55 East 52nd Street New York, NY 10055 | Director | Since 2011 | Senior Managing Director of BlackRock and Head of U.S. Mutual Funds since 2011; Chair of the U.S. Mutual Funds Committee reporting to the Global Executive Committee since 2011; Head of BlackRock's Real Estate business from 2008 to 2011; Member of BlackRock's Global Operating and Corporate Risk Management Committees and of the BlackRock Alternative Investors Executive Committee and Investment Committee for the Private Equity Fund of Funds business since 2008; Head of BlackRock's Global Cash Management business from 2005 to 2010; Acting Chief Financial Officer of BlackRock from 2007 to 2008; Chief Financial Officer of BlackRock from 1998 to 2005. | 155 RICs consisting of 280 Portfolios | None |
| Henry Gabbay 55 East 52nd Street New York, NY 10055 | Director | Since 2007 | Consultant, BlackRock from 2007 to 2008; Managing Director, BlackRock from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007; Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006. | 155 RICs consisting of 280 Portfolios | None |

1947

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³ Mr. Audet is an interested person, as defined in the 1940 Act, of the Funds based on his position with BlackRock and its affiliates. Mr. Gabbay is an interested person of the Funds based on his former positions with BlackRock and its affiliates as well as his ownership of BlackRock and The PNC Financial Services Group, Inc. securities. Mr. Audet and Mr. Gabbay are also Directors of the BlackRock registered open-end funds. Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Director by action of a majority of the Directors upon finding a good cause thereof.

Table of Contents**Officers and Directors (concluded)**

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served | Principal Occupation(s) During Past Five Years |
|--|---------------------------------------|------------------------------|---|
| Officers¹ | | | |
| John M. Perlowski 55 East 52nd Street New York, NY 10055 | President and Chief Executive Officer | Since 2011 | Managing Director of BlackRock since 2009; Global Head of BlackRock Fund Services since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009. |
| Anne Ackerley 55 East 52nd Street New York, NY 10055 | Vice President | Since 2007 ² | Managing Director of BlackRock since 2000; Chief Marketing Officer of BlackRock since 2012; President and Chief Executive Officer of the BlackRock-advised funds from 2009 to 2011; Vice President of the BlackRock-advised funds from 2007 to 2009; Chief Operating Officer of BlackRock's Global Client Group from 2009 to 2012; Chief Operating Officer of BlackRock's U.S. Retail Group from 2006 to 2009; Head of BlackRock's Mutual Fund Group from 2000 to 2006. |
| Brendan Kyne 55 East 52nd Street New York, NY 10055 | Vice President | Since 2009 | Managing Director of BlackRock since 2010; Director of BlackRock from 2008 to 2009; Head of Product Development and Management for BlackRock's U.S. Retail Group since 2009; and Co-head thereof from 2007 to 2009; Vice President of BlackRock from 2005 to 2008. |
| Robert W. Crothers 55 East 52nd Street New York, NY 10055 | Vice President | Since 2012 | Director of BlackRock since 2011; Vice President of BlackRock from 2008 to 2010; Associate of BlackRock from 2006 to 2007. |
| Neal Andrews 1981 | Chief Financial Officer | Since 2007 | Managing Director of BlackRock since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006. |

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55 East 52nd Street
New York, NY 10055

| | | | |
|-------------------------|-----------|---------------|--|
| 1966 Jay Fife | Treasurer | Since 2007 | Managing Director of BlackRock since 2007; Director of BlackRock in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006. |
|-------------------------|-----------|---------------|--|

55 East 52nd Street
New York, NY 10055

| | | | |
|-------------------------------|--|---------------|---|
| 1970 Brian Kindelan | Chief Compliance Officer and Anti-Money Laundering Officer | Since 2007 | Chief Compliance Officer of the BlackRock-advised funds since 2007; Managing Director and Senior Counsel of BlackRock since 2005. |
|-------------------------------|--|---------------|---|

55 East 52nd Street
New York, NY 10055

| | | | |
|--------------------------|-----------|---------------|---|
| 1959 Janey Ahn | Secretary | Since 2012 | Director of BlackRock since 2009; Vice President of BlackRock from 2008 to 2009; Assistant Secretary of the Funds from 2008 to 2012; Associate at Willkie Farr & Gallagher LLP from 2006 to 2008. |
|--------------------------|-----------|---------------|---|

55 East 52nd Street
New York, NY 10055

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¹ Officers of the Funds serve at the pleasure of the Board.
² Ms. Ackerley was President and Chief Executive Officer from 2009 to 2011.

| | | | |
|--|---|--|---|
| Investment Advisor | Transfer Agent | Accounting Agent | Legal Counsel |
| BlackRock Advisors, LLC Wilmington, DE 19809 | Computershare Trust Company, N.A. Canton, MA 02021 | State Street Bank and Trust Company Boston, MA 02110 | Skadden, Arps, Slate, Meagher & Flom LLP New York, NY 10036 |
| Sub-Advisor | Custodians | Independent Registered Public Accounting Firm | Address of the Funds |
| BlackRock Financial Management, Inc. New York, NY 10055 | JPMorgan Chase Bank, N.A. ³ New York, NY 10017 | Deloitte & Touche LLP Boston, MA 02116 | 100 Bellevue Parkway Wilmington, DE 19809 |
| | State Street Bank and Trust Company ⁴ Boston, MA 02110 | | |

The Bank of New York Mellon⁵
New York, NY 10286

³ For COY.

⁴ For CYE.

⁵ For DSU and ARK.

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FEBRUARY 28, 2013

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Additional Information

Regulation Regarding Derivatives

Effective December 31, 2012, the Commodity Futures Trading Commission (CFTC) adopted certain regulatory changes that subject registered investment companies and advisers to registered investment companies to regulation by the CFTC if a fund invests more than a prescribed level of its net assets in CFTC-regulated futures, options and swaps (CFTC Derivatives), or if the fund markets itself as providing investment exposure to such instruments. To the extent a Fund uses CFTC-regulated futures, options and swaps, it intends to do so below such prescribed levels and will not market itself as a commodity pool or a vehicle for trading such instruments. Accordingly, BlackRock Advisors, LLC has claimed an exclusion from the definition of the term commodity pool operator under the Commodity Exchange Act (CEA) pursuant to Rule 4.5 under the CEA. BlackRock Advisors, LLC is not, therefore, subject to registration or regulation as a commodity pool operator under the CEA in respect of each Fund.

A Fund may also have investments in underlying funds not advised by BlackRock (which for purposes of the no-action letter referenced below may include certain securitized vehicles and/or mortgage REITS that may invest in CFTC Derivatives). BlackRock Advisors, LLC has no transparency into the holdings of these underlying funds because they are not advised by BlackRock. To address this issue of lack of transparency, the CFTC staff issued a no-action letter on November 29, 2012 permitting the adviser of a fund that invests in such underlying funds and that would otherwise have filed a claim of exclusion pursuant to Rule 4.5, to delay registration as a commodity pool operator until June 30, 2013 or six months from the date in which the CFTC issues additional guidance on the treatment of CFTC Derivatives held by underlying funds. BlackRock Advisors, LLC, the adviser of the Funds, has filed a claim with the CFTC to rely on this no-action relief.

Fund Certification

Certain Funds are listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Funds filed with the SEC the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

Dividend Policy

Each Fund'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 Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The portion of dividend distributions that exceeds a Fund's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Dividend distributions in excess of a Fund's taxable income and net capital gains, but not in excess of a Fund's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Consolidated Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

General Information

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

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During the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

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

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Additional Information (concluded)

General Information (concluded)

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' website or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' 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 Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be household 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 Funds at (800) 882-0052.

Availability of Quarterly Schedule of Investments

The Funds 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 Funds' 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 Funds' 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 Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds' 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 Fund Updates

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

BlackRock Privacy Principles

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BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following:

(i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds 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.

CEF1-4-2/13-AR

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Item 2 Code of Ethics The registrant (or the Fund) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

Item 3 Audit Committee Financial Expert The registrant's board of directors (the board of directors), has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Frank J. Fabozzi

James T. Flynn

W. Carl Kester

Karen P. Robards

The registrant's board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester's financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an expert for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification. The designation or identification of a person as an audit committee financial expert does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.

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Item 4 Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP (D&T) in each of the last two fiscal years for the services rendered to the Fund:

| <u>Entity Name</u> | <u>(a) Audit Fees</u> | | <u>(b) Audit-Related Fees¹</u> | | <u>(c) Tax Fees²</u> | | <u>(d) All Other Fees³</u> | |
|---|-----------------------|--------------------|---|--------------------|---------------------------------|--------------------|---------------------------------------|--------------------|
| | <u>Current</u> | <u>Previous</u> | <u>Current</u> | <u>Previous</u> | <u>Current</u> | <u>Previous</u> | <u>Current</u> | <u>Previous</u> |
| | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u> |
| BlackRock Senior High Income Fund, Inc. | \$63,338 | \$62,200 | \$0 | \$0 | \$20,450 | \$19,450 | \$0 | \$0 |

The following table presents fees billed by D&T that were required to be approved by the registrant's audit committee (the Committee) for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC (Investment Adviser or BlackRock) and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund (Fund Service Providers):

| | <u>Current Fiscal Year End</u> | <u>Previous Fiscal Year End</u> |
|---|--------------------------------|---------------------------------|
| (b) Audit-Related Fees¹ | \$0 | \$0 |
| (c) Tax Fees² | \$0 | \$0 |
| (d) All Other Fees³ | \$2,865,000 | \$2,970,000 |

¹ The nature of the services includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

² The nature of the services includes tax compliance, tax advice and tax planning.

³ Aggregate fees borne by BlackRock in connection with the review of compliance procedures and attestation thereto performed by D&T with respect to all of the registered closed-end funds and some of the registered open-end funds advised by BlackRock.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The Committee has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the Investment Adviser and Fund Service Providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are (a) consistent with the SEC's auditor independence rules and (b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis (general pre-approval). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operations or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed \$10,000 attributable to the registrant or \$50,000 per project. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

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Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the Committee pursuant to the de minimis exception in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

| <u>Entity Name</u> | <u>Current Fiscal Year</u> | <u>Previous Fiscal</u> |
|---|----------------------------|------------------------|
| | <u>End</u> | <u>Year</u> |
| BlackRock Senior High Income Fund, Inc. | \$20,450 | \$19,450 |

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of \$2,865,000 and \$2,970,000, respectively, were billed by D&T to the Investment Adviser.

(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the Investment Adviser and the Fund Service Providers that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Item 5 Audit Committee of Listed Registrants

(a) The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Michael Castellano

Frank J. Fabozzi

James T. Flynn

W. Carl Kester

Karen P. Robards

(b) Not Applicable

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

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(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 The board of directors has delegated the voting of proxies for the Fund’s portfolio securities to the Investment Adviser pursuant to the Investment Adviser’s proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund’s stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser’s Equity Investment Policy Oversight Committee, or a sub-committee thereof (the Oversight Committee) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser’s clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser’s Portfolio Management Group and/or the Investment Adviser’s Legal and Compliance Department and concluding that the vote cast is in its client’s best interest notwithstanding the conflict. A copy of the Fund’s Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at www.blackrock.com and (ii) on the SEC’s website at <http://www.sec.gov>.

Item 8 Portfolio Managers of Closed-End Management Investment Companies as of February 28, 2013.

(a)(1) The Fund is managed by a team of investment professionals comprised of Leland T. Hart, Managing Director at BlackRock, James E. Keenan, Managing Director at BlackRock, and C. Adrian Marshall, Director at BlackRock. Messrs. Hart, Keenan and Marshall are the Fund’s co-portfolio managers and are responsible for the day-to-day management of the Fund’s portfolio and the selection of its investments. Messrs. Hart, Keenan and Marshall have been members of the Fund’s management team since 2009.

| Portfolio Manager | Biography |
|--------------------------|---|
| Leland T. Hart | Managing Director of BlackRock since 2009; Partner of R3 Capital Partners (R3) in 2009; Managing Director of R3 from 2008 to 2009; Managing Director of Lehman Brothers from 2006 to 2008; Executive Director of Lehman Brothers from 2003 to 2006. |
| James E. Keenan | Managing Director of BlackRock since 2008 and Head of the Leveraged Finance Portfolio team; Director of BlackRock from 2006 to 2007. |
| C. Adrian Marshall | Managing Director of BlackRock since 2007; Vice President of BlackRock from 2004 to 2007. |

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(a)(2) As of February 28, 2013:

| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type | | | (iii) Number of Other Accounts and Assets for Which Advisory Fee is | | |
|----------------------------------|---|-----------------------|----------------------|--|-----------------------------------|----------------------|
| | Other | Other Pooled | Other | Other | Performance-Based Other Pooled | Other |
| | Registered | Investment | Other | Registered | Investment | Other |
| | Investment Companies | Vehicles | Accounts | Investment Companies | Vehicles | Accounts |
| Leland T. Hart | 7 \$3.95 Billion | 16 \$3.74 Billion | 13 \$3.23 Billion | 0 \$0 | 7 \$1.52 Billion | 0 \$0 |
| James E. Keenan | 19 \$16.3 Billion | 20 \$10.57 Billion | 27 \$6.7 Billion | 0 \$0 | 7 \$1.52 Billion | 4 \$571.8 Million |
| C. Adrian Marshall | 7 \$3.95 Billion | 16 \$3.74 Billion | 13 \$3.23 Billion | 0 \$0 | 7 \$1.52 Billion | 0 \$0 |

(iv) Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, Inc., its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, Inc., or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock, Inc.'s (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock, Inc. or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. Hart, Keenan and Marshall may be managing certain hedge fund and/or long only accounts, or may be part of a team managing certain hedge fund and/or long only accounts, subject to incentive fees. Messrs. Hart, Keenan and Marshall may therefore be entitled to receive a portion of any incentive fees earned on such accounts.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate

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investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock, Inc. has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

(a)(3) As of February 28, 2013:

Portfolio Manager Compensation Overview

BlackRock’s financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

Base Compensation

Generally, portfolio managers receive base compensation based on their position with the firm.

Discretionary Incentive Compensation

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager’s group within BlackRock, the investment performance, including risk-adjusted returns, of the firm’s assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual’s performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock’s Chief Investment Officers make a subjective determination with respect to each portfolio manager’s compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to these portfolio managers, such benchmarks for the Fund and other accounts include the following:

| Portfolio Manager | Applicable Benchmarks |
|--------------------------|---|
| Leland T. Hart | |
| C. Adrian Marshall | A combination of market-based indices (e.g., S&P Leveraged All Loan Index), certain customized indices and certain fund industry peer groups. |
| James Keenan | A combination of market-based indices (e.g., The Barclays Capital U.S. Corporate High Yield 2% Issuer Cap Index), certain customized indices and certain fund industry peer groups. |

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Distribution of Discretionary Incentive Compensation

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of discretionary incentive compensation in BlackRock stock puts compensation earned by a portfolio manager for a given year at risk based on BlackRock's ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

Long-Term Incentive Plan Awards From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. Messrs. Hart, Keenan and Marshall have unvested long-term incentive awards.

Deferred Compensation Program A portion of the compensation paid to eligible United States-based BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm's investment products. Any portfolio manager who is either a managing director or director at BlackRock is eligible to participate in the deferred compensation program.

Other Compensation Benefits. In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans - BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock, Inc. employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at \$5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the Internal Revenue Service limit (\$255,000 for 2013). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock, Inc. common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual

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participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of \$25,000 based on its fair market value on the Purchase Date. Messrs. Hart, Keenan and Marshall are each eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* As of February 28, 2013.

| Portfolio Manager | Dollar Range of Equity Securities of the Fund Beneficially Owned |
|--------------------------|---|
| Leland Hart | None |
| James Keenan | None |
| Adrian Marshall | None |

(b) Not Applicable

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable due to no such purchases during the period covered by this report.

Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.

Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Exhibits attached hereto

(a)(1) Code of Ethics See Item 2

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

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

BlackRock Senior High Income Fund, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Senior High Income Fund, Inc.

Date: May 1, 2013

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 Senior High Income Fund, Inc.

Date: May 1, 2013

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

Date: May 1, 2013