

BLACKROCK CORPORATE HIGH YIELD FUND III INC
Form N-Q
January 26, 2011
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08497

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 02/28/2011

Date of reporting period: 11/30/2010

Item 1 Schedule of Investments

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Schedule of Investments November 30, 2010 (Unaudited)

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

| Common Stocks | Shares | Value |
|--|--------|------------|
| Automobiles 0.1% | | |
| General Motors Co. (a) | 11,370 | \$ 388,854 |
| Building Products 0.1% | | |
| Masonite Worldwide Holdings (a) | 5,365 | 198,505 |
| Nortek, Inc. (a) | 2,145 | 87,945 |
| | | 286,450 |
| Capital Markets 0.2% | | |
| E*Trade Financial Corp. (a) | 29,600 | 436,600 |
| Chemicals 0.1% | | |
| LyondellBasell Industries NV, Class B (a) | 4,885 | 142,642 |
| Wellman Holdings, Inc. (a) | 1,522 | 76 |
| | | 142,718 |
| Commercial Services & Supplies 0.1% | | |
| Air Lease Corp. (a)(b) | 12,900 | 264,450 |
| Communications Equipment 0.6% | | |
| Loral Space & Communications Ltd. (a) | 20,518 | 1,499,456 |
| Diversified Financial Services 0.2% | | |
| Bank of America Corp. | 57,000 | 624,150 |
| Citigroup, Inc. (a) | 1 | 4 |
| | | 624,154 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (a) | 70,784 | 1,416 |
| Food Products 0.1% | | |
| Zhongpin, Inc. (a) | 7,156 | 136,751 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. (a) | 1,099 | 4,011 |
| Household Durables 0.1% | | |
| Beazer Homes USA, Inc. (a) | 94,500 | 393,120 |
| Machinery 0.0% | | |
| Accuride Corp. (a) | 2,271 | 26,342 |

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| Media 0.5% | | |
|--|---------|-----------|
| Charter Communications, Inc. (a) | 16,555 | 554,924 |
| Gray Television, Inc. (a) | 162,000 | 322,380 |
| Sinclair Broadcast Group, Inc., Class A (a) | 50,000 | 387,500 |
| | | 1,264,804 |

| Common Stocks | Shares | Value |
|---|---------|------------|
| Paper & Forest Products 0.3% | | |
| Ainsworth Lumber Co. Ltd. (a) | 122,117 | \$ 299,776 |
| Ainsworth Lumber Co. Ltd. (a)(b) | 140,415 | 344,694 |
| Western Forest Products, Inc. (a) | 158,023 | 78,507 |
| Western Forest Products, Inc. (a)(b) | 45,762 | 22,735 |
| | | 745,712 |

| | | |
|--|--------|---------|
| Road & Rail 0.2% | | |
| Dollar Thrifty Automotive Group, Inc. (a) | 10,500 | 482,160 |

| | | |
|--|--------|---------|
| Semiconductors & Semiconductor Equipment 0.3% | | |
| Spanion, Inc., Class A (a) | 45,165 | 892,912 |
| SunPower Corp., Class B (a) | 778 | 8,928 |
| | | 901,840 |

| | | |
|--|--------|---------|
| Software 0.2% | | |
| Bankruptcy Management Solutions, Inc. (a) | 501 | 250 |
| HMH Holdings/EduMedia (a) | 91,749 | 458,743 |
| TiVo, Inc. (a) | 20,295 | 166,825 |
| | | 625,818 |

| | | |
|---|--------|---------|
| Wireless Telecommunication Services 0.1% | | |
| FiberTower Corp. (a) | 76,542 | 333,723 |

| | | |
|---------------------------------|--|-----------|
| Total Common Stocks 3.2% | | 8,558,379 |
|---------------------------------|--|-----------|

| Corporate Bonds | Par (000) | | |
|--|--------------|-----|---------|
| Aerospace & Defense 0.3% | | | |
| DynCorp International, Inc., 10.38%, 7/01/17 (b) | USD | 230 | 233,450 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | | 540 | 602,775 |

836,225

Air Freight & Logistics 0.6%

National Air Cargo Group, Inc.:

| | | |
|----------------------------|-----|---------|
| Series 1, 12.38%, 9/02/15 | 748 | 748,079 |
| Series 2, 12.38%, 10/08/15 | 748 | 748,079 |

1,496,158

Airlines 3.0%

| | | |
|--------------------------------|-------|-----------|
| Air Canada, 9.25%, 8/01/15 (b) | 1,060 | 1,107,700 |
|--------------------------------|-------|-----------|

Portfolio Abbreviations

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

| | |
|-----|-----------------------|
| CAD | Canadian Dollar |
| ETN | Exchange Traded Notes |
| EUR | Euro |
| FKA | Formerly Known As |
| GBP | British Pound |
| MTN | Medium Term Notes |
| USD | US Dollar |

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | | Value |
|--|-----|--------------|----|-----------|
| Airlines (concluded) | | | | |
| American Airlines Pass-Through Trust, Series 2001-02, 7.86%, 4/01/13 | USD | 400 | \$ | 419,000 |
| American Airlines, Inc., 10.50%, 10/15/12 | | 940 | | 1,026,950 |
| Continental Airlines, Inc.: 6.75%, 9/15/15 (b) | | 630 | | 648,112 |
| Series 1997-4-B, 6.90%, 7/02/18 | | 522 | | 517,960 |
| Series 2001-1-C, 7.03%, 12/15/12 | | 250 | | 254,246 |
| Series 2010-1-B, 6.00%, 7/12/20 (c) | | 500 | | 505,000 |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | | 1,045 | | 1,136,723 |
| United Air Lines, Inc., 12.75%, 7/15/12 | | 2,082 | | 2,336,506 |
| | | | | 7,952,197 |
| Auto Components 1.4% | | | | |
| Allison Transmission, Inc. (b): 11.00%, 11/01/15 | | 230 | | 248,975 |
| 11.25%, 11/01/15 (d) | | 177 | | 192,045 |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 | | 91 | | 94,293 |
| Icahn Enterprises LP: 4.00%, 8/15/13 (b)(e)(f) | | 255 | | 246,713 |
| 8.00%, 1/15/18 | | 3,035 | | 3,012,237 |
| | | | | 3,794,263 |
| Beverages 0.2% | | | | |
| Cott Beverages, Inc., 8.13%, 9/01/18 | | 264 | | 282,480 |
| Crown European Holdings SA, 7.13%, 8/15/18 (b) | EUR | 245 | | 325,176 |
| | | | | 607,656 |
| Biotechnology 0.2% | | | | |
| QHP Pharma, 10.25%, 3/15/15 (b) | USD | 533 | | 537,545 |
| Building Products 3.0% | | | | |
| Associated Materials LLC, 9.13%, 11/01/17 (b) | | 490 | | 499,800 |
| Building Materials Corp. of America (b): | | | | |

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| | | |
|---|-------|-----------|
| 6.88%, 8/15/18 | 530 | 519,400 |
| 7.00%, 2/15/20 | 620 | 638,600 |
| Momentive Performance Materials, Inc., 9.00%, 1/15/21 (b) | 1,280 | 1,273,600 |
| Nortek, Inc.: 11.00%, 12/01/13 | 2,395 | 2,520,246 |
| 10.00%, 12/01/18 (b) | 1,060 | 1,060,000 |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 | 1,490 | 1,579,400 |
| | | 8,091,046 |

Capital Markets 0.6%

| | | |
|---|-----|---------|
| American Capital Ltd., 8.96%, 12/31/13 | 510 | 529,921 |
| E*Trade Financial Corp. (e)(g): 3.43%, 8/31/19 (b) | 244 | 348,005 |
| Series A, 3.65%, 8/31/19 | 7 | 9,984 |

| Corporate Bonds | Par (000) | Value |
|--|--------------|------------|
| Capital Markets (concluded) | | |
| KKR Group Finance Co., 6.38%, 9/29/20 (b) | USD 650 | \$ 660,831 |
| | | 1,548,741 |

Chemicals 3.7%

| | | |
|---|---------|-----------|
| American Pacific Corp., 9.00%, 2/01/15 | 880 | 881,100 |
| CF Industries, Inc.: 6.88%, 5/01/18 | 440 | 482,900 |
| 7.13%, 5/01/20 | 780 | 872,625 |
| Chemtura Corp., 7.88%, 9/01/18 (b) | 530 | 560,475 |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b) | 165 | 174,900 |
| Hexion U.S. Finance Corp.: 8.88%, 2/01/18 | 765 | 787,950 |
| 9.00%, 11/15/20 (b) | 370 | 367,225 |
| Huntsman International LLC (b): 6.88%, 11/15/13 | EUR 280 | 367,087 |
| 8.63%, 3/15/21 | USD 500 | 530,000 |
| Ineos Finance Plc, 9.00%, 5/15/15 (b) | 420 | 434,700 |
| MacDermid, Inc., 9.50%, 4/15/17 (b) | 1,260 | 1,319,850 |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b) | 555 | 597,319 |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b) | 275 | 273,625 |
| PolyOne Corp., 7.38%, 9/15/20 | 215 | 219,837 |
| Rhodia SA, 6.88%, 9/15/20 (b) | 765 | 780,300 |
| TPC Group LLC, 8.25%, 10/01/17 (b) | 335 | 344,212 |
| Wellman Holdings, Inc., Subordinate Note (e): (Second Lien), 10.00%, 1/29/19 (b) | 844 | 734,280 |

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| | | |
|-------------------------------------|-----|------------------|
| (Third Lien), 5.00%, 1/29/19 (d) | 276 | 107,749 |
| | | <u>9,836,134</u> |

Commercial Banks 2.9%

| | | |
|--------------------------------|--------|------------------|
| CIT Group, Inc.: | | |
| 7.00%, 5/01/16 | 3,066 | 3,012,822 |
| 7.00%, 5/01/17 | 4,760 | 4,641,078 |
| Glitnir Banki HF (a)(h): | | |
| 4.76%, 4/20/10 (b) | 111 | 33,577 |
| 6.38%, 9/25/12 (b) | 500 | 151,250 |
| Series EMTN, 5.07%, 1/27/10 | EUR 50 | 19,471 |
| Series EMTN, 3.00%, 6/30/10 | 45 | 17,524 |
| Series GMTN, 4.38%, 2/05/10 | 50 | 19,471 |
| | | <u>7,895,193</u> |

Commercial Services & Supplies 1.3%

| | | |
|---|---------|---------|
| ACCO Brands Corp., 10.63%, 3/15/15 | | |
| | USD 755 | 839,937 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | | |
| | 305 | 308,813 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b) | | |
| | 230 | 235,463 |
| RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b) | | |
| | 585 | 646,425 |

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | | Value |
|---|-----|--------------|----|-----------|
| Commercial Services & Supplies (concluded) | | | | |
| West Corp. (b): | | | | |
| 8.63%, 10/01/18 | USD | 980 | \$ | 1,019,200 |
| 7.88%, 1/15/19 | | 390 | | 385,125 |
| | | | | 3,434,963 |
| Computers & Peripherals 0.1% | | | | |
| SanDisk Corp., 1.50%, 8/15/17 (e) | | 380 | | 406,125 |
| Consumer Finance 0.7% | | | | |
| Credit Acceptance Corp., 9.13%, 2/01/17 (b) | | 680 | | 710,600 |
| Ford Motor Credit Co. LLC: | | | | |
| 3.04%, 1/13/12 (f) | | 215 | | 215,000 |
| 7.80%, 6/01/12 | | 200 | | 212,024 |
| 6.63%, 8/15/17 | | 840 | | 865,805 |
| | | | | 2,003,429 |
| Containers & Packaging 2.5% | | | | |
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (b) | EUR | 475 | | 607,322 |
| Ball Corp., 6.75%, 9/15/20 | USD | 525 | | 559,125 |
| Berry Plastics Corp.: | | | | |
| 8.25%, 11/15/15 | | 135 | | 140,400 |
| 9.75%, 1/15/21 (b) | | 705 | | 675,037 |
| Graham Packaging Co. LP, 8.25%, 10/01/18 | | 250 | | 253,750 |
| Graphic Packaging International, Inc.: | | | | |
| 9.50%, 6/15/17 | | 840 | | 911,400 |
| 7.88%, 10/01/18 | | 400 | | 415,000 |
| Impress Holdings BV, 3.41%, 9/15/13 (b)(f) | | 420 | | 416,850 |
| OI European Group BV, 6.88%, 3/31/17 | EUR | 155 | | 205,724 |
| Pregis Corp., 12.38%, 10/15/13 | USD | 1,200 | | 1,194,000 |
| Smurfit Kappa Acquisitions (b): | | | | |
| 7.25%, 11/15/17 | EUR | 495 | | 648,957 |
| 7.75%, 11/15/19 | | 470 | | 626,858 |
| | | | | 6,654,423 |
| Diversified Consumer Services 1.1% | | | | |
| Service Corp. International, 7.00%, 6/15/17 | USD | 3,000 | | 3,086,250 |

Diversified Financial Services 6.0%

| | | |
|------------------------------------|-----------|-----------|
| Ally Financial Inc.: | | |
| 7.50%, 12/31/13 | 280 | 294,700 |
| 2.50%, 12/01/14 (f) | 394 | 352,643 |
| 8.30%, 2/12/15 | 1,990 | 2,094,475 |
| 6.25%, 12/01/17 (b) | 980 | 940,800 |
| 8.00%, 3/15/20 (b) | 2,290 | 2,358,700 |
| 7.50%, 9/15/20 (b) | 1,970 | 1,930,600 |
| 8.00%, 11/01/31 | 310 | 316,632 |
| 8.00%, 11/01/31 | 600 | 621,000 |
| Axcan Intermediate Holdings, Inc., | | |
| 12.75%, 3/01/16 | 450 | 469,125 |
| FCE Bank Plc, 7.13%, 1/15/13 | EUR 1,050 | 1,400,427 |
| Leucadia National Corp., 8.13%, | | |
| 9/15/15 | USD 1,175 | 1,274,875 |
| Reynolds Group DL Escrow, Inc., | | |
| 7.75%, 10/15/16 (b) | 1,300 | 1,355,250 |

| Corporate Bonds | Par (000) | | Value |
|---|--------------|----|------------|
| Diversified Financial Services (concluded) | | | |
| Reynolds Group Issuer, Inc. (b): | | | |
| 7.75%, 10/15/16 | EUR 400 | \$ | 534,794 |
| 7.13%, 4/15/19 | USD 580 | | 590,150 |
| 9.00%, 4/15/19 | 1,450 | | 1,475,375 |
| | | | 16,009,546 |

Diversified Telecommunication Services 3.7%

| | | | |
|-------------------------------------|-------|-----------|-----------|
| Broadview Networks Holdings, Inc., | | | |
| 11.38%, 9/01/12 | 1,035 | 1,014,300 | |
| Frontier Communications Corp.: | | | |
| 8.25%, 4/15/17 | 493 | 542,300 | |
| 8.50%, 4/15/20 | 350 | 385,000 | |
| GCI, Inc., 8.63%, 11/15/19 | 1,200 | 1,305,000 | |
| ITC Deltacom, Inc., 10.50%, | | | |
| 4/01/16 | 350 | 375,375 | |
| Level 3 Communications, Inc., | | | |
| 6.50%, 10/01/16 (e) | 130 | 141,863 | |
| Nordic Telephone Co. Holdings | | | |
| ApS, 8.88%, 5/01/16 (b) | 215 | 228,975 | |
| Qwest Communications International, | | | |
| Inc.: | | | |
| 7.50%, 2/15/14 | 2,020 | 2,040,200 | |
| 8.00%, 10/01/15 | 600 | 637,500 | |
| Series B, 7.50%, 2/15/14 | 1,450 | 1,464,500 | |
| Qwest Corp., 7.63%, 6/15/15 | 525 | 605,062 | |
| Windstream Corp.: | | | |
| 8.13%, 8/01/13 | 460 | 502,550 | |
| 7.88%, 11/01/17 | 630 | 661,500 | |
| | | | 9,904,125 |

Electronic Equipment, Instruments & Components 0.1%

| | | |
|-----------------------------|-----|---------|
| NXP BV, 3.05%, 10/15/13 (f) | 440 | 415,800 |
|-----------------------------|-----|---------|

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| Energy Equipment & Services 1.7% | | |
|--|-----|-----------|
| Calfrac Holdings LP, 7.50%, 12/01/20 (b) | 245 | 243,775 |
| Compagnie Generale de Geophysique- Veritas: | | |
| 7.50%, 5/15/15 | 985 | 1,009,625 |
| 7.75%, 5/15/17 | 250 | 262,500 |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b) | 445 | 445,000 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b) | 620 | 615,350 |
| Global Geophysical Services, Inc., 10.50%, 5/01/17 | 255 | 252,450 |
| North American Energy Alliance LLC, 10.88%, 6/01/16 (b) | 665 | 738,150 |
| Precision Drilling Corp., 6.63%, 11/15/20 (b) | 375 | 378,750 |
| Thermon Industries, Inc., 9.50%, 5/01/17 (b) | 555 | 591,075 |
| | | 4,536,675 |

| Food & Staples Retailing 0.8% | | |
|--|-----|---------|
| AmeriQual Group LLC, 9.50%, 4/01/12 (b) | 560 | 548,800 |
| Rite Aid Corp.: | | |
| 9.75%, 6/12/16 | 410 | 440,238 |
| 7.50%, 3/01/17 | 670 | 631,475 |

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2010

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Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Food & Staples Retailing (concluded) | | |
| Rite Aid Corp. (concluded): 8.00%, 8/15/20 (b) | USD 530 | \$ 545,900 |
| | | 2,166,413 |
| Food Products 0.4% | | |
| B&G Foods, Inc., 7.63%, 1/15/18 | 220 | 227,975 |
| Reddy Ice Corp., 11.25%, 3/15/15 (b) | 440 | 444,400 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | 130 | 146,900 |
| TreeHouse Foods, Inc., 7.75%, 3/01/18 | 160 | 173,600 |
| | | 992,875 |
| Health Care Equipment & Supplies 1.5% | | |
| DJO Finance LLC, 10.88%, 11/15/14 | 2,455 | 2,675,950 |
| Hologic, Inc., 2.00%, 12/15/37 (e)(h) | 1,375 | 1,275,312 |
| | | 3,951,262 |
| Health Care Providers & Services 5.0% | | |
| American Renal Holdings, 8.38%, 5/15/18 (b) | 280 | 289,800 |
| DaVita, Inc., 6.38%, 11/01/18 | 400 | 396,500 |
| Gentiva Health Services, Inc., 11.50%, 9/01/18 (b) | 710 | 778,338 |
| HCA, Inc.: 9.13%, 11/15/14 | 1,785 | 1,860,862 |
| 8.50%, 4/15/19 | 1,020 | 1,111,800 |
| 7.25%, 9/15/20 | 2,315 | 2,427,856 |
| inVentiv Health Inc., 10.00%, 8/15/18 (b) | 650 | 638,625 |
| Omnicare, Inc.: 6.13%, 6/01/13 | 255 | 253,088 |
| 7.75%, 6/01/20 | 625 | 640,625 |
| Tenet Healthcare Corp.: 9.00%, 5/01/15 | 1,799 | 1,929,427 |
| 10.00%, 5/01/18 | 644 | 719,670 |
| 8.88%, 7/01/19 | 2,279 | 2,427,135 |
| | | 13,473,726 |
| Health Care Technology 1.1% | | |

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| | | |
|--|-------|-----------|
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 2,405 | 2,801,825 |
| MedAssets, Inc., 8.00%, 11/15/18 (b) | 165 | 166,238 |
| | | 2,968,063 |

Hotels, Restaurants & Leisure 3.0%

| | | |
|---|---------|-----------|
| Diamond Resorts Corp., 12.00%, 8/15/18 (b) | 1,190 | 1,213,800 |
| Dunkin Finance Corp., 9.63%, 12/01/18 (b) | 520 | 523,250 |
| Enterprise Inns Plc, 6.50%, 12/06/18 | GBP 425 | 562,096 |
| Harrah s Operating Co., Inc.: 11.25%, 6/01/17 | USD 660 | 719,400 |
| 10.00%, 12/15/18 | 1,990 | 1,681,550 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(i) | 1,550 | 625,812 |

| Corporate Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

**Hotels, Restaurants & Leisure
(concluded)**

| | | |
|--|---------|------------|
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b) | USD 423 | \$ 348,975 |
| MGM Mirage, 13.00%, 11/15/13 | 110 | 129,250 |
| MGM Resorts International: 10.38%, 5/15/14 | 255 | 283,050 |
| 11.13%, 11/15/17 | 820 | 926,600 |
| Marina District Finance Co., Inc., 9.88%, 8/15/18 (b) | 235 | 225,013 |
| Travelport LLC: 4.92%, 9/01/14 (f) | 160 | 144,800 |
| 9.88%, 9/01/14 | 210 | 207,900 |
| 9.00%, 3/01/16 (b) | 120 | 119,100 |
| Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(i) | 305 | 732 |
| Virgin River Casino Corp., 9.00%, 1/15/12 (a)(i) | 940 | 399,500 |
| | | 8,110,828 |

Household Durables 3.4%

| | | |
|---|-----------|-----------|
| Beazer Homes USA, Inc.: 8.13%, 6/15/16 | 315 | 303,975 |
| 12.00%, 10/15/17 | 1,345 | 1,540,025 |
| 9.13%, 6/15/18 | 1,770 | 1,699,200 |
| Jarden Corp., 7.50%, 1/15/20 | EUR 305 | 406,791 |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | USD 1,725 | 1,744,406 |
| Ryland Group Inc., 6.63%, 5/01/20 | 675 | 651,375 |
| Standard Pacific Corp.: 9.25%, 4/15/12 | 135 | 145,800 |
| 6.25%, 4/01/14 | 365 | 379,600 |
| 7.00%, 8/15/15 | 265 | 272,950 |

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| | | |
|-----------------|-------|-----------|
| 10.75%, 9/15/16 | 1,390 | 1,584,600 |
| 8.38%, 5/15/18 | 475 | 489,250 |
| | | 9,217,972 |

Household Products 0.1%

| | | |
|--|-----|---------|
| Viking Acquisition, Inc., 9.25%, 11/01/18 (b) | 250 | 249,375 |
|--|-----|---------|

IT Services 1.3%

| | | |
|---------------------------------|-------|-----------|
| First Data Corp.: | | |
| 9.88%, 9/24/15 | 115 | 97,750 |
| 10.55%, 9/24/15 (d) | 1,130 | 954,457 |
| 8.88%, 8/15/20 (b) | 1,275 | 1,326,000 |
| SunGard Data Systems, Inc. (b): | | |
| 7.38%, 11/15/18 | 480 | 475,200 |
| 7.63%, 11/15/20 | 600 | 600,000 |
| | | 3,453,407 |

**Independent Power Producers &
Energy Traders 2.8%**

| | | |
|--|-------|-----------|
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | 1,260 | 1,326,150 |
| Calpine Corp., 7.50%, 2/15/21 (b) | 475 | 466,687 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b) | 3,395 | 3,473,608 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 174 | 178,464 |

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|---|--------------|--------------|
| Independent Power Producers & Energy Traders (concluded) | | |
| NRG Energy, Inc.: | | |
| 7.25%, 2/01/14 | USD 1,275 | \$ 1,300,500 |
| 7.38%, 2/01/16 | 670 | 673,350 |
| | | 7,418,759 |
| Industrial Conglomerates 2.5% | | |
| Sequa Corp. (b): | | |
| 11.75%, 12/01/15 | 2,340 | 2,497,950 |
| 13.50%, 12/01/15 (d) | 3,954 | 4,290,102 |
| | | 6,788,052 |
| Insurance 0.9% | | |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b) | | |
| | 1,700 | 1,755,250 |
| USI Holdings Corp., 4.16%, 11/15/14 (b)(f) | | |
| | 680 | 581,400 |
| | | 2,336,650 |
| Life Sciences Tools & Services 0.2% | | |
| Patheon, Inc., 8.63%, 4/15/17 (b) | | |
| | 585 | 587,925 |
| Machinery 1.9% | | |
| AGY Holding Corp., 11.00%, 11/15/14 | | |
| | 980 | 883,225 |
| Navistar International Corp.: | | |
| 3.00%, 10/15/14 (e) | 1,820 | 2,245,425 |
| 8.25%, 11/01/21 | 840 | 900,900 |
| Oshkosh Corp., 8.25%, 3/01/17 | 140 | 150,500 |
| Titan International, Inc. (b): | | |
| 5.63%, 1/15/17 (e) | 240 | 430,800 |
| 7.88%, 10/01/17 | 400 | 416,000 |
| | | 5,026,850 |
| Marine 0.8% | | |
| Horizon Lines, Inc., 4.25%, 8/15/12 (e) | | |
| | 2,230 | 2,032,088 |
| Media 10.7% | | |
| Affinion Group, Inc., 7.88%, 12/15/18 (b) | | |
| | 85 | 78,413 |
| CCH II LLC, 13.50%, 11/30/16 | 543 | 638,350 |
| CCO Holdings LLC (b): | | |

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| | | |
|--|-------|-----------|
| 7.88%, 4/30/18 | 470 | 486,450 |
| 8.13%, 4/30/20 | 470 | 493,500 |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (b)(f) | 160 | 3,200 |
| CSC Holdings, Inc., 8.50%, 4/15/14 | 390 | 427,537 |
| Catalina Marketing Corp., 10.50%, 10/01/15 (b)(d) | 610 | 649,650 |
| Checkout Holding Corp., 10.99%, 11/15/15 (b)(g) | 875 | 529,375 |
| Clear Channel Worldwide Holdings, Inc.: 9.25%, 12/15/17 | 835 | 885,100 |
| Series B, 9.25%, 12/15/17 | 4,240 | 4,526,200 |
| Cox Enterprises, Inc.: Loan Close 2, 4.00%, 8/15/18 | 636 | 635,530 |
| Loan Close 3, 12.00%, 8/15/18 | 735 | 735,000 |
| Shares Loan, 4.00%, 8/15/18 | 749 | 749,372 |
| DISH DBS Corp., 7.00%, 10/01/13 | 90 | 95,850 |

| Corporate Bonds | Par (000) | Value |
|--|--------------|------------|
| Media (concluded) | | |
| Gray Television, Inc., 10.50%, 6/29/15 | USD 455 | \$ 455,000 |
| Harland Clarke Holdings Corp.: 6.00%, 5/15/15 (f) | 350 | 283,500 |
| 9.50%, 5/15/15 | 420 | 388,500 |
| Intelsat Corp., 9.25%, 6/15/16 | 1,370 | 1,441,925 |
| Interactive Data Corp., 10.25%, 8/01/18 (b) | 1,030 | 1,112,400 |
| Liberty Global, Inc., 4.50%, 11/15/16 (e) | 400 | 592,000 |
| Liberty Media Corp., 3.13%, 3/30/23 (e) | 1,113 | 1,224,300 |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b) | 1,055 | 1,065,550 |
| The McClatchy Co., 11.50%, 2/15/17 | 370 | 387,575 |
| Nielsen Finance LLC: 11.63%, 2/01/14 | 180 | 205,200 |
| 7.75%, 10/15/18 (b) | 2,145 | 2,182,537 |
| ProQuest LLC, 9.00%, 10/15/18 (b) | 500 | 515,000 |
| ProtoStar I Ltd., 18.00%, 10/15/12 (b) | 850 | 8,499 |
| Rainbow National Services LLC (b): 8.75%, 9/01/12 | 440 | 441,650 |
| 10.38%, 9/01/14 | 1,582 | 1,643,302 |
| Regal Entertainment Group, 9.13%, 8/15/18 | 335 | 353,425 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (b) | 635 | 635,000 |
| UPC Germany GmbH (b): 8.13%, 12/01/17 | EUR 441 | 592,473 |
| 8.13%, 12/01/17 | USD 755 | 785,200 |
| 9.63%, 12/01/19 | EUR 570 | 784,278 |
| UPC Holding BV, 9.88%, 4/15/18 (b) | USD 500 | 537,500 |
| | EUR 168 | 231,156 |

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| | | | |
|--|-----|-----|------------|
| Unitymedia GmbH, 9.63%, 12/01/19 | | | |
| Univision Communications, Inc., 7.88%, 11/01/20 (b) | USD | 460 | 470,350 |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b) | EUR | 388 | 501,123 |
| Ziggo Finance BV, 6.13%, 11/15/17 (b) | | 800 | 1,012,474 |
| | | | <hr/> |
| | | | 28,783,444 |

Metals & Mining 3.4%

| | | | |
|--|-----|-------|-----------|
| Drummond Co., Inc.: | | | |
| 9.00%, 10/15/14 (b) | USD | 875 | 923,125 |
| 7.38%, 2/15/16 | | 225 | 229,500 |
| FMG Resources August 2006 Pty Ltd., 7.00%, 11/01/15 (b) | | 1,580 | 1,599,750 |
| Foundation PA Coal Co., 7.25%, 8/01/14 | | 1,975 | 2,014,508 |
| Goldcorp, Inc., 2.00%, 8/01/14 (e) | | 595 | 722,181 |
| New World Resources NV: | | | |
| 7.38%, 5/15/15 | EUR | 255 | 326,864 |
| 7.88%, 5/01/18 | | 400 | 521,866 |
| Newmont Mining Corp., Series A, 1.25%, 7/15/14 (e) | USD | 430 | 597,700 |
| Novelis, Inc., 11.50%, 2/15/15 | | 430 | 528,900 |

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2010

5

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|--|--------------|------------|
| Metals & Mining (concluded) | | |
| Ryerson, Inc.: | | |
| 7.66%, 11/01/14 (f) | USD 400 | \$ 373,000 |
| 12.00%, 11/01/15 | 265 | 271,956 |
| Steel Dynamics, Inc., 7.38%, 11/01/12 | 205 | 218,325 |
| United States Steel Corp., 7.38%, 4/01/20 | 230 | 229,712 |
| Vedanta Resources Plc, 9.50%, 7/18/18 (b) | 640 | 678,400 |
| | | 9,235,787 |
| Multiline Retail 1.9% | | |
| Dollar General Corp., 11.88%, 7/15/17 (d) | 4,351 | 5,047,160 |
| Oil, Gas & Consumable Fuels 8.5% | | |
| Arch Coal, Inc., 7.25%, 10/01/20 | 855 | 936,225 |
| Atlas Energy Operating Co. LLC: 12.13%, 8/01/17 | 500 | 655,000 |
| 10.75%, 2/01/18 | 100 | 121,875 |
| Berry Petroleum Co., 8.25%, 11/01/16 | 510 | 529,125 |
| Bill Barrett Corp., 9.88%, 7/15/16 | 45 | 49,050 |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b) | 230 | 228,850 |
| Chesapeake Energy Corp.: | | |
| 6.63%, 8/15/20 | 1,860 | 1,873,950 |
| 2.25%, 12/15/38 (e) | 800 | 602,000 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b) | 295 | 314,175 |
| Connacher Oil and Gas Ltd. (b): 11.75%, 7/15/14 | 175 | 188,125 |
| 10.25%, 12/15/15 | 1,145 | 1,127,825 |
| Consol Energy, Inc., 8.25%, 4/01/20 (b) | 1,990 | 2,154,175 |
| Continental Resources Inc., 7.13%, 4/01/21 (b) | 370 | 388,500 |
| Crosstex Energy LP, 8.88%, 2/15/18 | 180 | 187,650 |
| Denbury Resources, Inc., 8.25%, 2/15/20 | 737 | 803,330 |
| Energy Transfer Equity LP, 7.50%, 10/15/20 | 675 | 698,625 |
| Harvest Operations Corp., 6.88%, 10/01/17 (b) | 100 | 103,250 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b) | 770 | 789,250 |

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| | | |
|----------------------------------|-------|-----------|
| Linn Energy LLC (b): | | |
| 8.63%, 4/15/20 | 1,100 | 1,166,000 |
| 7.75%, 2/01/21 | 590 | 598,850 |
| MarkWest Energy Partners LP, | | |
| 6.75%, 11/01/20 | 260 | 259,350 |
| Massey Energy Co., 6.88%, | | |
| 12/15/13 | 945 | 952,087 |
| Niska Gas Storage US LLC, 8.88%, | | |
| 3/15/18 (b) | 1,870 | 1,963,500 |
| OPTI Canada, Inc. (b): | | |
| 9.00%, 12/15/12 | 1,735 | 1,726,325 |
| 9.75%, 8/15/13 | 975 | 970,125 |
| Patriot Coal Corp., 8.25%, | | |
| 4/30/18 | 230 | 230,000 |
| Peabody Energy Corp., 6.50%, | | |
| 9/15/20 | 1,100 | 1,188,000 |

| Corporate Bonds | Par (000) | Value |
|--|--------------|-------------------|
| Oil, Gas & Consumable Fuels (concluded) | | |
| Petrohawk Energy Corp.: | | |
| 10.50%, 8/01/14 | USD 370 | \$ 417,175 |
| 7.88%, 6/01/15 | 460 | 473,800 |
| Range Resources Corp., 8.00%, | | |
| 5/15/19 | 400 | 436,000 |
| Teekay Corp., 8.50%, 1/15/20 | 660 | 719,400 |
| | | <u>22,851,592</u> |

| | | |
|---|-------|------------------|
| Paper & Forest Products 3.1% | | |
| Ainsworth Lumber Co. Ltd., | | |
| 11.00%, 7/29/15 (b)(d) | 1,134 | 1,015,036 |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 330 | 363,825 |
| 8.00%, 4/01/20 | 165 | 178,613 |
| Clearwater Paper Corp.: | | |
| 10.63%, 6/15/16 | 390 | 447,525 |
| 7.13%, 11/01/18 (b) | 585 | 595,237 |
| Georgia-Pacific LLC, 8.25%, | | |
| 5/01/16 (b) | 1,600 | 1,768,000 |
| NewPage Corp., 11.38%, | | |
| 12/31/14 | 3,150 | 2,850,750 |
| PH Glatfelter Co., 7.13%, 5/01/16 | 210 | 216,825 |
| Verso Paper Holdings LLC, | | |
| 11.50%, 7/01/14 | 840 | 911,400 |
| | | <u>8,347,211</u> |

| | | |
|----------------------------------|---------|---------|
| Pharmaceuticals 0.8% | | |
| Angiotech Pharmaceuticals, Inc., | | |
| 4.05%, 12/01/13 (f) | 890 | 727,575 |
| Novasep Holding SAS, 9.63%, | | |
| 12/15/16 (b) | EUR 630 | 539,727 |
| Valeant Pharmaceuticals | | |
| International (b): | | |
| 6.75%, 10/01/17 | USD 380 | 375,250 |
| 7.00%, 10/01/20 | 480 | 468,000 |

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| | | | |
|--|-----|-------|-----------|
| | | | 2,110,552 |
| Professional Services 0.3% | | | |
| FTI Consulting, Inc., 6.75%, 10/01/20 (b) | | 920 | 929,200 |
| Real Estate Investment Trusts (REITs) 0.4% | | | |
| Omega Healthcare Investors, Inc., 6.75%, 10/15/22 (b) | | 540 | 538,650 |
| The Rouse Co. LP, 6.75%, 11/09/15 | | 520 | 533,000 |
| | | | 1,071,650 |
| Real Estate Management & Development 0.7% | | | |
| CB Richard Ellis Services, Inc., 6.63%, 10/15/20 (b) | | 335 | 335,000 |
| Forest City Enterprises, Inc., 7.63%, 6/01/15 | | 1,425 | 1,328,813 |
| IVG Immobilien AG, 8.00%, 5/29/49 (f) | EUR | 100 | 96,704 |
| | | | 1,760,517 |
| Road & Rail 1.5% | | | |
| Avis Budget Car Rental LLC: 9.63%, 3/15/18 | USD | 510 | 534,225 |
| 8.25%, 1/15/19 (b) | | 570 | 557,175 |
| The Hertz Corp., 7.50%, 10/15/18 (b) | | 1,040 | 1,050,400 |

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|--|--------------|------------|
| Road & Rail (concluded) | | |
| Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b) | EUR 710 | \$ 976,908 |
| Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b) | USD 820 | 838,450 |
| | | 3,957,158 |
| Semiconductors & Semiconductor Equipment 0.4% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 (b) | 285 | 292,125 |
| Linear Technology Corp., Series A, 3.00%, 5/01/27 (e) | 435 | 450,225 |
| Spanion LLC, 7.88%, 11/15/17 (b) | 280 | 285,250 |
| | | 1,027,600 |
| Specialty Retail 2.1% | | |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 (b) | 330 | 333,300 |
| Group 1 Automotive, Inc., 2.25%, 6/15/36 (e)(h) | 1,055 | 964,006 |
| Hillman Group, Inc., 10.88%, 6/01/18 (b) | 530 | 583,000 |
| Ltd. Brands, Inc., 8.50%, 6/15/19 | 785 | 904,712 |
| Michaels Stores, Inc., 7.75%, 11/01/18 (b) | 285 | 277,163 |
| Petco Animal Supplies, Inc., 9.25%, 12/01/18 (b) | 515 | 518,863 |
| Rent-A-Center Inc., 6.63%, 11/15/20 (b) | 240 | 236,400 |
| Sonic Automotive, Inc., 9.00%, 3/15/18 | 370 | 382,025 |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (b) | 420 | 438,375 |
| United Auto Group, Inc., 7.75%, 12/15/16 | 1,025 | 1,007,062 |
| | | 5,644,906 |
| Thriffs & Mortgage Finance 0.2% | | |
| Radian Group, Inc., 3.00%, 11/15/17 (e) | 500 | 456,250 |

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Tobacco 0.1%

| | | |
|---------------------------------------|-----|---------|
| Vector Group Ltd., 11.00%, 8/15/15 | 325 | 332,313 |
|---------------------------------------|-----|---------|

Wireless Telecommunication

Services 4.2%

| | | |
|--|-------|-----------|
| Cricket Communications, Inc.: | | |
| 10.00%, 7/15/15 | 1,260 | 1,329,300 |
| 7.75%, 5/15/16 | 220 | 224,950 |
| Digicel Group Ltd. (b): | | |
| 8.88%, 1/15/15 | 700 | 707,000 |
| 9.13%, 1/15/15 (d) | 1,783 | 1,800,830 |
| 8.25%, 9/01/17 | 870 | 913,500 |
| 10.50%, 4/15/18 | 500 | 550,000 |
| FiberTower Corp., 9.00%, 1/01/16 (d) | | |
| | 293 | 252,804 |
| iPCS, Inc., 2.41%, 5/01/13 (f) | | |
| | 815 | 778,325 |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b) | | |
| | 655 | 653,363 |
| MetroPCS Wireless, Inc.: | | |
| 7.88%, 9/01/18 | 520 | 538,850 |
| 6.63%, 11/15/20 | 760 | 723,900 |

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------------|
| Wireless Telecommunication Services (concluded) | | |
| NII Holdings, Inc., 3.13%, 6/15/12 (e) | USD 370 | \$ 359,363 |
| Nextel Communications, Inc.: | | |
| Series E, 6.88%, 10/31/13 | 1,170 | 1,168,537 |
| Series F, 5.95%, 3/15/14 | 110 | 106,150 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,400 | 1,190,000 |
| | | <u>11,296,872</u> |
| Total Corporate Bonds 97.1% | | 260,672,951 |

Floating Rate Loan Interests (f)

Building Products 1.4%

| | | |
|---|-------|------------------|
| CPG International I, Inc., Term Loan, 7.25%, 2/28/11 | | |
| | 3,225 | 3,225,377 |
| Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/13/17 | | |
| | 625 | 639,219 |
| | | <u>3,864,596</u> |

Capital Markets 0.1%

| | | |
|--|-----|---------|
| Marsico Parent Co., LLC, Term Loan, 5.31%, 12/15/14 | | |
| | 376 | 278,804 |

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Chemicals 0.1%

| | | |
|--|-----|---------|
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.51% - 3.73%, 7/30/14 | 375 | 356,397 |
|--|-----|---------|

Commercial Services & Supplies

| | | |
|---|-------|------------------|
| 1.3% | | |
| AWAS Finance Luxembourg Sarl, Term Loan B, 7.75%, 6/10/16 | 1,000 | 1,018,333 |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16 | 550 | 558,348 |
| International Lease Finance Corp., Term Loan 1, 6.75%, 3/17/15 | 750 | 759,643 |
| Volume Services America, Inc. (Centerplate), Term Loan B, 10.75%, 8/24/16 | 1,000 | 997,500 |
| | | <u>3,333,824</u> |

Construction & Engineering

| | | |
|--|-------|-----------|
| 0.8% | | |
| Safway Services, LLC, Last Out Term Loan, 15.63%, 12/14/17 | 2,000 | 2,000,000 |

Consumer Finance 1.6%

| | | |
|---|-------|-----------|
| AGFS Funding Co., Term Loan, 7.25%, 4/21/15 | 4,250 | 4,281,212 |
|---|-------|-----------|

Electric Utilities 0.5%

| | | |
|---|-------|-----------|
| New Development Holdings LLC, Term Loan, 7.00%, 7/03/17 | 1,347 | 1,368,009 |
|---|-------|-----------|

Food Products 0.3%

| | | |
|--|-----|---------|
| Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 9/29/17 | 900 | 906,750 |
|--|-----|---------|

Schedule of Investments (continued)

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

| Floating Rate Loan Interests (f) | Par (000) | Value |
|---|--------------|------------|
| Health Care Providers & Services 0.7% | | |
| Harden Healthcare, Inc.: | | |
| Add-on Term Loan, 7.00%, 3/02/15 | USD 512 | \$ 501,637 |
| Tranche A Term Loan, 8.50%, 2/22/15 | 481 | 471,180 |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16 | 898 | 902,239 |
| | | 1,875,056 |
| Hotels, Restaurants & Leisure 1.2% | | |
| Travelport LLC (FKA Travelport, Inc.), Loan, 8.28%, 3/27/12 | 3,405 | 3,158,202 |
| Household Durables 0.4% | | |
| Visant Corp. (FKA Jostens), Term Loan B, 7.00%, 12/20/16 | 1,000 | 1,008,125 |
| IT Services 0.4% | | |
| First Data Corp.: | | |
| Initial Tranche B-1 Term Loan, 3.00%, 9/24/14 | 283 | 254,869 |
| Initial Tranche B-2 Term Loan, 3.00%, 9/24/14 | 407 | 366,397 |
| Initial Tranche B-3 Term Loan, 3.00%, 9/24/14 | 593 | 534,681 |
| | | 1,155,947 |
| Independent Power Producers & Energy Traders 0.9% | | |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | |
| Initial Tranche B-1 Term Loan, 3.75% - 3.79%, 10/10/14 | 214 | 165,572 |
| Initial Tranche B-2 Term Loan, 3.75% - 3.79%, 10/10/14 | 254 | 196,343 |
| Initial Tranche B-3 Term Loan, 3.75% - 3.79%, 10/10/14 | 2,800 | 2,154,645 |
| | | 2,516,560 |

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| | | |
|---|-------|------------------|
| Media 1.5% | | |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 1,711 | 1,714,902 |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 5.75%, 6/12/14 | 970 | 896,489 |
| Newsday, LLC, Fixed Rate Term Loan, 8/01/13 | 1,325 | 1,404,500 |
| | | <u>4,015,891</u> |

| | | |
|--|-----|---------|
| Multiline Retail 0.1% | | |
| The Neiman Marcus Group, Inc., Term Loan B, 4.29%, 4/06/16 | 243 | 237,896 |

| | | |
|--|-------|------------------|
| Oil, Gas & Consumable Fuels 1.5% | | |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/30/15 | 2,440 | 2,488,800 |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 | 2,322 | 1,625,148 |
| | | <u>4,113,948</u> |

| Floating Rate Loan Interests (f) | Par (000) | Value |
|--|--------------|--------------|
| Paper & Forest Products 0.4% | | |
| Verso Paper Finance Holdings LLC, 6.54% - 7.29%, 2/01/13 (d) | USD 1,363 | \$ 1,090,076 |

| | | |
|---|-----|---------|
| Real Estate Investment Trusts (REITs) 0.1% | | |
| iStar Financial, Inc., Term Loan (Second Lien), 1.75% 6/28/11 | 225 | 215,312 |

| | | |
|--|-------|------------------|
| Real Estate Management & Development 0.8% | | |
| Realogy Corp.: Initial Term Loan B, 3.29%, 10/10/13 | 1,057 | 970,395 |
| Synthetic Letter of Credit, 0.11%, 10/10/13 | 154 | 141,821 |
| Term Loan (Second Lien), 13.50%, 10/15/17 | 1,000 | 1,083,750 |
| | | <u>2,195,966</u> |

| | | |
|---|-----|----------------|
| Specialty Retail 0.2% | | |
| Claire's Stores, Inc., Term Loan B, 3.01%, 5/29/14 | 137 | 119,738 |
| Michaels Stores, Inc., Term Loan B-1, 2.56%, 10/31/13 | 355 | 341,722 |
| | | <u>461,460</u> |

Wireless Telecommunication**Services 0.7%**Vodafone Americas Finance 2 Inc.,
Initial Loan, 6.88%, 7/30/15

1,750

1,776,250

Total Floating Rate Loan Interests 15.0%

40,210,281

Investment Companies**Shares**iPATH S&P 500 VIX Mid-Term
Futures ETN (a)

6,870

512,227

Total Investment Companies 0.2%

512,227

Other Interests (j)**Beneficial
Interest
(000)****Auto Components 2.5%**Delphi Debtor-in-Possession
Holding Co. LLP, Class B

Membership Interests

USD

(k)

6,613,747

Lear Corp. Escrow

460

12,650

6,626,397

Hotels, Restaurants & Leisure 0.0%

Buffets, Inc.

575

58

Media 0.0%

Adelphia Escrow

750

75

Adelphia Recovery Trust

941

3,762

3,837

Total Other Interests 2.5%

6,630,292

Schedule of Investments (continued)

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

| Preferred Securities | Par (000) | Value |
|--|--------------|------------|
| Capital Trusts | | |
| Commercial Banks 0.1% | | |
| Royal Bank of Scotland Group Plc, Series MTN, 7.64% (a)(i)(l) | USD 300 | \$ 198,000 |
| Total Capital Trusts 0.1% | | 198,000 |
| Preferred Stocks | | |
| Auto Components 0.3% | | |
| Dana Holding Corp., 4.00% (b)(e) | 6,800 | 878,900 |
| Automobiles 1.0% | | |
| General Motors Co., 4.75% (a) | 54,200 | 2,747,940 |
| Diversified Financial Services 0.8% | | |
| Citigroup, Inc., 7.50% (e) | 16,300 | 2,037,500 |
| Household Durables 0.1% | | |
| Beazer Homes USA, Inc., 7.50% (e) | 10,132 | 228,477 |
| Insurance 0.0% | | |
| Assured Guaranty Ltd., 8.50% | 1,232 | 88,459 |
| Media 0.2% | | |
| CMP Susquehanna Radio Holdings Corp. (a)(b) | 37,314 | |
| TRA Global, Inc. (a) | 286,652 | 463,144 |
| | | 463,144 |
| Real Estate Investment Trusts (REITs) 0.0% | | |
| MPG Office Trust, Inc., Series A, 7.63% (a)(e) | 8,994 | 117,911 |
| Thriffs & Mortgage Finance 0.0% | | |
| Fannie Mae, Series O (a) | 30,000 | 17,250 |
| Freddie Mac, Series Z (a) | 75,961 | 41,019 |

| | | | |
|--|---------------|---------------|--------------|
| | | | 58,269 |
| Total Preferred Stocks | 2.4% | | 6,620,600 |
| Total Preferred Securities | 2.5% | | 6,818,600 |
| Warrants (m) | | | |
| Containers & Packaging 0.0% | | | |
| MDP Acquisitions Plc (Expires 10/01/13) | | 700 | 32,297 |
| Health Care Providers & Services 0.0% | | | |
| HealthSouth Corp. (Expires 1/16/14) | | 32,042 | |
| Hotels, Restaurants & Leisure 0.0% | | | |
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14) | | 485 | 5 |
| Warrants (m) | | | |
| | | Shares | Value |
| Media 0.0% | | | |
| CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b) | | 42,640 | \$ 1 |
| New Vision Holdings LLC (Expires 9/30/14) | | 22,447 | 224 |
| | | | 225 |
| Oil, Gas & Consumable Fuels 0.0% | | | |
| Turbo Cayman Ltd. (No Expiration) | | 1 | |
| Software 0.0% | | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17) | | 334 | 3 |
| HMH Holdings/EduMedia (Expires 3/09/17) | | 11,225 | |
| | | | 3 |
| Total Warrants | 0.0% | | 32,530 |
| Total Long-Term Investments | | | 323,435,260 |
| (Cost \$319,820,570) | 120.5% | | |

Short-Term Securities

| | | |
|--|---------|---------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.18% (n)(o) | 323,237 | 323,237 |
| Total Short-Term Securities (Cost \$323,237) 0.1% | | 323,237 |

Options Purchased

Contracts

Over-the-Counter Call Options

| | |
|--|----|
| 0.0% Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/21/19, Broker Goldman Sachs Bank USA | 19 |
|--|----|

Total Options Purchased

| |
|----------------------|
| (Cost \$18,578) 0.0% |
|----------------------|

Total Investments

| | |
|--|--------------|
| (Cost \$320,162,385*) 120.6% | 323,758,497 |
| Liabilities in Excess of Other Assets (20.6)% | (55,445,449) |

| | |
|--------------------------|-----------------------|
| Net Assets 100.0% | \$ 268,313,048 |
|--------------------------|-----------------------|

* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2010, as computed for federal income tax purposes were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 321,335,730 |
| Gross unrealized appreciation | \$ 19,536,387 |
| Gross unrealized depreciation | (17,113,620) |
| Net unrealized appreciation | \$ 2,422,767 |

(a) Non-income producing security.

Schedule of Investments (continued)

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

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

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

| Counterparty | Value | Unrealized Appreciation |
|----------------------------|------------|----------------------------|
| Morgan Stanley & Co., Inc. | \$ 505,000 | \$ 5,000 |

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

(e) Convertible security.

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

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

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

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

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

(k) Amount is less than \$1,000.

(l) Security is perpetual in nature and has no stated maturity date.

(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, if any.

(n) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at February 28, 2010 | Net Activity | Shares Held at November 30, 2010 | Income |
|--|---|-----------------|---|----------|
| BlackRock Liquidity Funds, TempFund, Institutional | 3,276,755 | (2,953,518) | 323,237 | \$ 2,935 |

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Class

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

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

Foreign currency exchange contracts as of November 30, 2010 were as follows:

| Currency Purchased | | Currency Sold | | Counter-party | Settlement Date | Unrealized Appreciation |
|--------------------|------------|---------------|------------|------------------|-----------------|-------------------------|
| USD | 445,436 | CAD | 449,000 | Citibank NA | 1/19/11 | \$ 8,500 |
| USD | 432,849 | GBP | 272,500 | Citibank NA | 1/19/11 | 9,133 |
| USD | 16,229,457 | EUR | 11,853,500 | Deutsche Bank AG | 1/28/11 | 846,422 |
| Total | | | | | | \$ 864,055 |

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2010

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Schedule of Investments (continued)

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

Financial futures contracts sold as of November 30, 2010 were as follows:

| Contracts | Issue | Exchange | Expiration Date | Notional Value | Unrealized Appreciation |
|-----------|---------------|--------------------|-----------------|----------------|-------------------------|
| 153 | S&P 500 Index | Chicago Mercantile | December 2010 | \$ 9,047,402 | \$ 23,462 |

Credit default swaps on single-name issuers - buy protection outstanding as of November 30, 2010 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|----------------------------------|----------------|-----------------------------|---------------|-----------------------|--|
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs International | December 2011 | \$ 510 | \$ 6,951 |
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs Bank USA | December 2013 | \$ 1,000 | 117,362 |
| Louisiana-Pacific Corp. | 5.00% | JPMorgan Chase Bank NA | March 2014 | \$ 500 | (108,239) |
| Harrah's Operating Company, Inc. | 5.00% | Deutsche Bank AG | December 2015 | \$ 1,300 | (39,994) |
| Republic of Hungary | 1.00% | Deutsche Bank AG | December 2015 | \$ 300 | 6,244 |
| iStar Financial, Inc. | 5.00% | Deutsche Bank AG | December 2016 | \$ 225 | (24,835) |
| Total | | | | | \$ (42,511) |

Credit default swaps on single-name issuers - sold protection outstanding as of November 30, 2010 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|---|--------------------|-----------------------------|----------------|----------------------------|------------------------------------|--|
| iStar Financial, Inc. | 5.00% | Deutsche Bank AG | September 2011 | CCC- | \$ 225 | \$ 20,148 |
| Texas Competitive Electric Holdings Co. LLC | 5.00% | Goldman Sachs International | September 2012 | CCC | \$ 500 | (46,164) |
| | 5.00% | Deutsche Bank AG | December 2012 | BB+ | \$ 65 | (7,107) |

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| | | | | | | | |
|------------------------------|-------|-----------------------------|----------------|------|----|-----|-------------------|
| MBIA Insurance Corp. | | | | | | | |
| MBIA Insurance Corp. | 5.00% | Deutsche Bank AG | December 2012 | BB+ | \$ | 170 | (24,229) |
| Advanced Micro Devices, Inc. | 5.00% | JPMorgan Chase Bank NA | March 2015 | B+ | \$ | 600 | 25,091 |
| Realogy Corp. | 5.00% | Credit Suisse International | March 2015 | C | \$ | 100 | 2,603 |
| Realogy Corp. | 5.00% | JPMorgan Chase Bank NA | March 2015 | C | \$ | 150 | (8,358) |
| Realogy Corp. | 5.00% | JPMorgan Chase Bank NA | March 2015 | C | \$ | 100 | 1,757 |
| Realogy Corp. | 5.00% | JPMorgan Chase Bank NA | March 2015 | C | \$ | 225 | 702 |
| | | Goldman Sachs International | | | | | |
| Levi Strauss & Co. | 5.00% | International | June 2015 | B+ | \$ | 235 | 9,341 |
| | | Goldman Sachs International | | | | | |
| Levi Strauss & Co. | 5.00% | International | September 2015 | B+ | \$ | 560 | 19,998 |
| Realogy Corp. | 5.00% | JPMorgan Chase Bank NA | September 2015 | C | \$ | 125 | 1,336 |
| Assured Guaranty Ltd. | 5.00% | Deutsche Bank AG | December 2015 | A+ | \$ | 65 | 2,240 |
| M.D.C. Holdings, Inc. | 1.00% | Deutsche Bank AG | December 2015 | BBB- | \$ | 350 | (2,830) |
| M.D.C. Holdings, Inc. | 1.00% | JPMorgan Chase Bank NA | December 2015 | BBB- | \$ | 350 | 705 |
| Total | | | | | | | \$ (4,767) |

¹ Using Standard & Poor's rating.

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

Schedule of Investments (continued)

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

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

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

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

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

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

The following tables summarize the inputs used as of November 30, 2010 in determining the fair valuation of the Fund's investments and derivatives:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Long Term Investments: | | | | |
| Common Stocks | \$ 7,490,166 | \$ 344,944 | \$ 723,269 | \$ 8,558,379 |
| Corporate Bonds | | 256,108,870 | 4,564,081 | 260,672,951 |
| Floating Rate Loan Interests | | 20,333,508 | 19,876,773 | 40,210,281 |
| Investment Companies | 512,227 | | | 512,227 |
| Other Interests | | 6,613,747 | 16,545 | 6,630,292 |
| Capital Trusts | | 198,000 | | 198,000 |
| Preferred Stocks | 5,278,556 | 878,900 | 463,144 | 6,620,600 |
| Warrants | | 32,297 | 233 | 32,530 |
| Short-Term Securities | 323,237 | | | 323,237 |
| Liabilities: | | | | |
| Unfunded Loan Commitments | | | (17,310) | (17,310) |
| Total | \$ 13,604,186 | \$ 284,510,266 | \$ 25,626,735 | \$ 323,741,187 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
| Assets: | | | | |

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| | | | | | | |
|-------------------------------------|----|--------|-----------|---------|-----------|---------|
| Credit contracts | | \$ | 214,478 | \$ | 214,478 | |
| Equity contracts | \$ | 23,462 | | | 23,462 | |
| Foreign currency exchange contracts | | | 864,055 | | 864,055 | |
| Liabilities: | | | | | | |
| Credit contracts | | | (261,756) | | (261,756) | |
| Total | \$ | 23,462 | \$ | 816,777 | \$ | 840,239 |

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

Schedule of Investments (concluded)

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

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

| | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Stocks | Warrants | Unfunded Loan Commitments | Total |
|---|------------------|--------------------|---------------------------------|--------------------|---------------------|----------|---------------------------------|---------------|
| Assets/Liabilities: | | | | | | | | |
| Balance as of February 28, 2010 | \$ 79,746 | \$ 4,246,019 | \$ 21,135,986 | \$ 4,699,133 | \$ 1 | \$ 230 | \$ (115,579) | \$ 30,045,536 |
| Accrued discounts/ premiums | | 20,128 | 81,691 | | | | | 101,819 |
| Net realized gain (loss) | | 9,735 | 455,140 | 349,894 | | 25,669 | | 840,438 |
| Net change in unrealized appreciation/ depreciation ² | 8,275 | (971,624) | 441,711 | 1,934,815 | | | 98,269 | 1,511,446 |
| Purchases | | 53,463 | 304,863 | 319,000 | | | | 677,326 |
| Sales | | | (10,025,558) | (685,200) | | (25,669) | | (10,736,427) |
| Transfers in ³ | 723,193 | 1,496,158 | 10,641,142 | 12,650 | 463,143 | 3 | | 13,336,289 |
| Transfers out ³ | (87,945) | (289,798) | (3,158,202) | (6,613,747) | | | | (10,149,692) |
| Balance, as of November 30, 2010 | \$ 723,269 | \$ 4,564,081 | \$ 19,876,773 | \$ 16,545 | \$ 463,144 | \$ 233 | \$ (17,310) | \$ 25,626,735 |

² The change in unrealized appreciation/depreciation on securities still held at November 30, 2010 was \$(628,342).

³ The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

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Item 2 Controls and Procedures

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

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

Item 3 Exhibits

Certifications Attached hereto

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

BlackRock Corporate High Yield Fund III, Inc.

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

Date: January 26, 2011

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

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

Date: January 26, 2011

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

Date: January 26, 2011