

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08497

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Corporate High Yield Fund III, Inc., 55 East 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: 05/31/2010

Item 1 – Schedule of Investments

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Schedule of Investments May 31, 2010 (Unaudited)

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

| Common Stocks | Shares | Value |
|---|---------|------------|
| Auto Components 0.3% | | |
| Lear Corp. (a) | 11,750 | \$ 795,123 |
| Building Products 0.1% | | |
| Masonite Worldwide Holdings (a) | 6,623 | 296,379 |
| Capital Markets 0.2% | | |
| E*Trade Financial Corp. (a) | 296,000 | 438,080 |
| Chemicals 0.4% | | |
| LyondellBasell Industries NV, Class A (a) | 23,189 | 503,502 |
| LyondellBasell Industries NV, Class B (a) | 18,484 | 327,167 |
| Solutia, Inc. (a) | 12,000 | 181,800 |
| Wellman Holdings, Inc. (a) | 1,522 | 76 |
| | | 1,012,545 |
| Communications Equipment 0.6% | | |
| Loral Space & Communications Ltd. (a) | 38,763 | 1,548,194 |
| Construction Materials 0.0% | | |
| Nortek, Inc. (a) | 2,145 | 96,525 |
| Diversified Financial Services 0.0% | | |
| Citigroup, Inc. (a) | 1 | 4 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (a) | 70,784 | 2,832 |
| SunPower Corp., Class B (a) | 778 | 9,017 |
| | | 11,849 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. (a) | 1,099 | 6,814 |
| Household Durables 0.5% | | |
| Beazer Homes USA, Inc. (a) | 164,500 | 817,565 |
| Pulte Group, Inc. (a) | 30,000 | 334,200 |
| | | 1,151,765 |
| Machinery 0.1% | | |
| Accuride Corp. (a) | 90,983 | 122,827 |

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| | | |
|--|---------|-----------|
| Media 0.6% | | |
| Charter Communications, Inc. (a) | 2,918 | 105,048 |
| Gannett Co., Inc. | 44,700 | 694,638 |
| Gray Television, Inc. (a) | 162,000 | 484,380 |
| Sinclair Broadcast Group, Inc., Class A (a) | 50,000 | 331,750 |
| | | 1,615,816 |

| | | |
|---|---------|---------|
| Paper & Forest Products 0.4% | | |
| Ainsworth Lumber Co. Ltd. (a) | 122,117 | 427,015 |
| Ainsworth Lumber Co. Ltd. (a)(b) | 140,415 | 490,999 |
| Western Forest Products, Inc. (a) | 158,023 | 51,053 |
| Western Forest Products, Inc. (a)(b) | 45,762 | 14,784 |
| | | 983,851 |

| Common Stocks | Shares | Value |
|---|---------|------------|
| Software 0.5% | | |
| HMH Holdings/EduMedia (a) | 146,824 | \$ 917,650 |
| TiVo, Inc. (a) | 26,525 | 239,786 |
| | | 1,157,436 |
| Wireless Telecommunication Services 0.2% | | |
| FiberTower Corp. (a) | 76,542 | 292,390 |
| SBA Communications Corp., Class A (a) | 8,452 | 279,170 |
| | | 571,560 |
| Total Common Stocks 3.9% | | 9,808,768 |

| Corporate Bonds | Par (000) | |
|--|--------------|---------|
| Aerospace & Defense 0.3% | | |
| Bombardier, Inc., 7.75%, 3/15/20 (b) | USD 200 | 202,500 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (b) | 540 | 534,600 |
| | | 737,100 |

| | | |
|--|-----|---------|
| Airlines 2.0% | | |
| American Airlines, Inc., 10.50%, 10/15/12 (b) | 390 | 400,237 |
| American Airlines Pass-Through Trust, Series 2001-02, 7.86%, 4/01/13 | 400 | 404,000 |

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| | | |
|---|-------|-----------|
| Continental Airlines, Inc.: | | |
| Series 1997-4-B, 6.90%, 7/02/18 (c) | 522 | 511,437 |
| Series 2001-1-C, 7.03%, 12/15/12 | 302 | 299,016 |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | 1,100 | 1,190,750 |
| United Air Lines, Inc., 12.75%, 7/15/12 | 2,100 | 2,231,250 |
| | | 5,036,690 |

Auto Components 1.4%

| | | |
|--|-------|-----------|
| Allison Transmission, Inc. (b): | | |
| 11.00%, 11/01/15 | 230 | 240,350 |
| 11.25%, 11/01/15 (d) | 177 | 183,195 |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 | 91 | 91,104 |
| The Goodyear Tire & Rubber Co., 8.63%, 12/01/11 | 552 | 567,180 |
| Icahn Enterprises LP: | | |
| 4.00%, 8/15/13 (e)(f) | 255 | 216,750 |
| 8.00%, 1/15/18 (b) | 2,470 | 2,321,800 |
| | | 3,620,379 |

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 |
| EUR | Euro |
| FKA | Formerly Known As |
| GBP | British Pound |
| 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 |
|--|--------------|------------|
| Biotechnology 0.3% | | |
| QHP Pharma, 10.25%, 3/15/15 (b) | USD 680 | \$ 689,074 |
| Building Products 1.0% | | |
| Associated Materials LLC, 9.88%, 11/15/16 | 720 | 774,000 |
| Building Materials Corp. of America, 7.00%, 2/15/20 (b) | 620 | 613,800 |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 | 1,090 | 1,117,250 |
| | | 2,505,050 |
| Capital Markets 0.6% | | |
| E*Trade Financial Corp. (e)(g): | | |
| 3.39%, 8/31/19 (b) | 244 | 349,225 |
| Series A, 3.64%, 8/31/19 | 7 | 10,019 |
| MU Finance Plc, 8.75%, 2/01/17 (b) | GBP 422 | 561,454 |
| Marsico Parent Co., LLC, 10.63%, 1/15/16 (b) | USD 963 | 544,095 |
| Marsico Parent Holdco, LLC, 3.13%, 7/15/16 (b)(d) | 263 | 64,547 |
| Marsico Parent Superholdco, LLC, 3.63%, 1/15/18 (b)(d) | 279 | 54,380 |
| | | 1,583,720 |
| Chemicals 4.1% | | |
| American Pacific Corp., 9.00%, 2/01/15 | 880 | 861,300 |
| CF Industries, Inc.: | | |
| 6.88%, 5/01/18 | 440 | 440,550 |
| 7.13%, 5/01/20 | 780 | 786,825 |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b) | 230 | 233,450 |
| Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b) | 1,015 | 938,875 |
| Hexion U.S. Finance Corp., 9.75%, 11/15/14 | 660 | 630,300 |
| Huntsman International LLC (b): | | |
| 6.88%, 11/15/13 | EUR 280 | 322,984 |
| 5.50%, 6/30/16 | USD 435 | 378,450 |
| 8.63%, 3/15/20 | 395 | 372,288 |
| Ineos Finance Plc, 9.00%, 5/15/15 (b) | 420 | 417,900 |

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| | | |
|---|-------|------------|
| Innophos, Inc., 8.88%, 8/15/14 | 825 | 845,625 |
| LBI Escrow Corp., 8.00%, 11/01/17 (b) | 2,095 | 2,131,662 |
| MacDermid, Inc., 9.50%, 4/15/17 (b) | 1,260 | 1,263,150 |
| Wellman Holdings, Inc., Subordinate Note (e): (Second Lien), 10.00%, 1/29/19 | 844 | 734,280 |
| (Third Lien), 5.00%, 1/29/19 (d) | 270 | 105,121 |
| | | 10,462,760 |

| Corporate Bonds | Par (000) | Value |
|--|--------------|-----------|
| Commercial Banks 0.1% | | |
| Glitnir Banki HF (a)(h): 4.15%, 4/20/10 (b) | USD 111 | \$ 30,803 |
| 6.38%, 9/25/12 (b) | 500 | 138,750 |
| Series EMTN, 5.07%, 1/27/10 EUR | 50 | 17,334 |
| Series EMTN, 3.00%, 6/30/10 | 45 | 16,290 |
| Series GMTN, 4.38%, 2/05/10 | 50 | 17,333 |
| | | 220,510 |
| Commercial Services & Supplies 2.6% | | |
| ACCO Brands Corp., 10.63%, 3/15/15 | USD 250 | 270,625 |
| Garda World Security Corp., 9.75%, 3/15/17 (b) | 400 | 411,000 |
| International Lease Finance Corp., 8.63%, 9/15/15 (b) | 235 | 216,200 |
| RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b) | 585 | 629,606 |
| Scientific Games International, Inc., 9.25%, 6/15/19 | 580 | 598,850 |
| Waste Services, Inc., 9.50%, 4/15/14 | 3,000 | 3,075,000 |
| West Corp., 11.00%, 10/15/16 | 1,290 | 1,302,900 |
| | | 6,504,181 |
| Construction Materials 0.9% | | |
| Nortek, Inc., 11.00%, 12/01/13 | 2,275 | 2,365,514 |
| Consumer Finance 0.5% | | |
| Credit Acceptance Corp., 9.13%, 2/01/17 (b) | 680 | 686,800 |
| Ford Motor Credit Co. LLC: 3.05%, 1/13/12 (f) | 215 | 206,400 |
| 7.80%, 6/01/12 | 200 | 203,980 |
| 8.00%, 12/15/16 | 180 | 180,350 |
| | | 1,277,530 |

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| Containers & Packaging 4.6% | | | |
|--|-----|-------|-----------|
| Ball Corp., 6.75%, 9/15/20 | | 525 | 510,563 |
| Berry Plastics Corp.: | | | |
| 8.88%, 9/15/14 | | 615 | 590,400 |
| 8.25%, 11/15/15 | | 135 | 132,638 |
| 9.50%, 5/15/18 (b) | | 790 | 707,050 |
| Berry Plastics Holding Corp., | | | |
| 8.88%, 9/15/14 | | 1,950 | 1,872,000 |
| Crown European Holdings SA, | | | |
| 6.25%, 9/01/11 | EUR | 75 | 92,496 |
| Graphic Packaging International, | | | |
| Inc., 9.50%, 6/15/17 | USD | 840 | 873,600 |
| Impress Holdings BV, 2.47%, | | | |
| 9/15/13 (b)(f) | | 420 | 388,500 |
| Owens-Brockway Glass Container, | | | |
| Inc.: | | | |
| 8.25%, 5/15/13 | | 1,000 | 1,012,500 |
| 6.75%, 12/01/14 | EUR | 155 | 191,158 |
| Packaging Dynamics Finance | | | |
| Corp., 10.00%, 5/01/16 (b) | | 1,090 | 933,312 |
| Pregis Corp., 12.38%, 10/15/13 | | 1,200 | 1,182,000 |

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | Value |
|--|-----|--------------|--------------|
| Containers & Packaging (concluded) | | | |
| Rock-Tenn Co., 8.20%, 8/15/11 | EUR | 2,000 | \$ 2,080,000 |
| Smurfit Kappa Acquisitions (b): | | | |
| 7.25%, 11/15/17 | | 495 | 595,288 |
| 7.75%, 11/15/19 | | 470 | 570,990 |
| | | | 11,732,495 |
| Diversified Consumer Services 1.1% | | | |
| Service Corp. International, 7.00%, 6/15/17 | USD | 3,000 | 2,910,000 |
| Diversified Financial Services 9.7% | | | |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16 | | 390 | 393,900 |
| CIT Group, Inc.: | | | |
| 7.00%, 5/01/16 | | 3,076 | 2,791,911 |
| 7.00%, 5/01/17 | | 5,280 | 4,765,272 |
| Citigroup, Inc., 4.75%, 5/19/15 | | 360 | 355,558 |
| FCE Bank Plc: | | | |
| 7.88%, 2/15/11 | GBP | 700 | 1,019,899 |
| 7.13%, 1/16/12 | EUR | 1,800 | 2,197,816 |
| 7.13%, 1/15/13 | | 1,050 | 1,269,174 |
| GMAC, Inc.: | | | |
| 7.25%, 3/02/11 | USD | 184 | 184,690 |
| 6.88%, 9/15/11 | | 500 | 500,000 |
| 6.88%, 8/28/12 | | 600 | 592,500 |
| 7.50%, 12/31/13 | | 280 | 273,000 |
| 2.74%, 12/01/14 (f) | | 394 | 323,667 |
| 6.75%, 12/01/14 | | 940 | 895,350 |
| 8.30%, 2/12/15 (b) | | 2,160 | 2,168,100 |
| 8.00%, 3/15/20 (b) | | 2,240 | 2,172,800 |
| Leucadia National Corp., 8.13%, 9/15/15 | | 1,325 | 1,354,812 |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b) | | 1,460 | 1,445,400 |
| Reynolds Group Issuer, Inc. (b): | | | |
| 7.75%, 10/15/16 | EUR | 400 | 485,949 |
| 8.50%, 5/15/18 | USD | 1,375 | 1,306,250 |
| | | | 24,496,048 |
| Diversified Telecommunication Services 4.4% | | | |
| Broadview Networks Holdings, Inc., 11.38%, 9/01/12 | | 1,035 | 993,600 |
| GCI, Inc., 8.63%, 11/15/19 (b) | | 1,200 | 1,164,000 |
| ITC Deltacom, Inc., 10.50%, 4/01/16 (b) | | 540 | 518,400 |

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New Communications Holdings, Inc. (b):

| | | |
|----------------|-----|---------|
| 7.88%, 4/15/15 | 630 | 625,275 |
| 8.25%, 4/15/17 | 800 | 792,000 |
| 8.50%, 4/15/20 | 350 | 344,750 |

Nordic Telephone Co. Holdings

| | | |
|-------------------------|-----|---------|
| ApS, 8.88%, 5/01/16 (b) | 215 | 220,375 |
|-------------------------|-----|---------|

Qwest Communications International, Inc.:

| | | |
|--------------------------|-------|-----------|
| 7.50%, 2/15/14 | 2,020 | 1,989,700 |
| 8.00%, 10/01/15 (b) | 600 | 601,500 |
| Series B, 7.50%, 2/15/14 | 1,730 | 1,704,050 |

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

**Diversified Telecommunication Services
(concluded)**

Qwest Corp.:

| | | |
|----------------|---------|------------|
| 7.63%, 6/15/15 | USD 525 | \$ 548,625 |
| 8.38%, 5/01/16 | 680 | 737,800 |

Windstream Corp., 8.13%,
8/01/13

| | |
|-----|---------|
| 760 | 767,600 |
|-----|---------|

11,007,675

Electric Utilities 0.5%

| | | |
|---------------------------------|-----|---------|
| Intergen NV, 9.00%, 6/30/17 (b) | 420 | 420,000 |
|---------------------------------|-----|---------|

NSG Holdings LLC, 7.75%,
12/15/25 (b)

| | |
|-------|---------|
| 1,030 | 921,850 |
|-------|---------|

1,341,850

Electronic Equipment, Instruments & Components 0.1%

| | | |
|-------------------------------------|-----|---------|
| Jabil Circuit, Inc., 7.75%, 7/15/16 | 295 | 301,638 |
|-------------------------------------|-----|---------|

Energy Equipment & Services 1.6%

Compagnie Generale de Geophysique-
Veritas:

| | | |
|----------------|-----|---------|
| 7.50%, 5/15/15 | 215 | 208,550 |
| 7.75%, 5/15/17 | 320 | 304,000 |

Expro Finance Luxembourg SCA,
8.50%, 12/15/16 (b)

| | |
|-------|-----------|
| 1,835 | 1,779,950 |
|-------|-----------|

Global Geophysical Services, Inc.,
10.50%, 5/01/17 (b)

| | |
|-----|---------|
| 310 | 297,600 |
|-----|---------|

North American Energy Alliance
LLC, 10.88%, 6/01/16 (b)

| | |
|-----|---------|
| 665 | 679,962 |
|-----|---------|

Parker Drilling Co., 9.13%,
4/01/18 (b)

| | |
|-----|---------|
| 210 | 199,500 |
|-----|---------|

Thermon Industries, Inc., 9.50%,
5/01/17 (b)

| | |
|-----|---------|
| 555 | 549,450 |
|-----|---------|

4,019,012

Food & Staples Retailing 0.7%

AmeriQual Group LLC, 9.50%,
4/01/12 (b)

| | |
|-----|---------|
| 800 | 728,000 |
|-----|---------|

Rite Aid Corp.:
9.75%, 6/12/16

| | |
|-----|---------|
| 410 | 435,113 |
|-----|---------|

10.25%, 10/15/19

| | |
|-----|---------|
| 670 | 681,725 |
|-----|---------|

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1,844,838

Food Products 0.7%

| | | |
|--|-----|---------|
| B&G Foods, Inc., 7.63%, 1/15/18 | 220 | 219,450 |
| Reddy Ice Corp., 11.25%, 3/15/15 (b) | 440 | 444,400 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | 780 | 835,088 |
| TreeHouse Foods, Inc., 7.75%, 3/01/18 | 160 | 163,600 |

1,662,538

Health Care Equipment & Supplies 1.3%

| | | |
|--------------------------------------|-------|-----------|
| DJO Finance LLC: 10.88%, 11/15/14 | 1,670 | 1,736,800 |
| 10.88%, 11/15/14 (b) | 600 | 624,000 |

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

MAY 31, 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 |
|---|--------------|------------|
| Health Care Equipment & Supplies (concluded) | | |
| Hologic, Inc., 2.00%, 12/15/37 (e)(i) | USD 955 | \$ 815,331 |
| | | 3,176,131 |
| Health Care Providers & Services 4.2% | | |
| American Renal Holdings, 8.38%, 5/15/18 (b) | 280 | 272,300 |
| HCA, Inc.: | | |
| 9.13%, 11/15/14 | 1,785 | 1,878,713 |
| 8.50%, 4/15/19 | 1,020 | 1,065,900 |
| 7.25%, 9/15/20 | 2,315 | 2,309,212 |
| Omnicare, Inc., 7.75%, 6/01/20 | 270 | 270,675 |
| Tenet Healthcare Corp. (b): | | |
| 9.00%, 5/01/15 | 1,799 | 1,888,950 |
| 10.00%, 5/01/18 | 644 | 705,985 |
| 8.88%, 7/01/19 | 2,014 | 2,112,182 |
| | | 10,503,917 |
| Health Care Technology 1.1% | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 2,405 | 2,759,737 |
| Hotels, Restaurants & Leisure 2.0% | | |
| Harrah's Operating Co., Inc., 11.25%, 6/01/17 | 660 | 691,350 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(h) | 1,550 | 744,000 |
| Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(h) | 1,290 | 427,312 |
| MGM Mirage: | | |
| 13.00%, 11/15/13 | 110 | 125,400 |
| 10.38%, 5/15/14 (b) | 255 | 270,938 |
| 11.13%, 11/15/17 (b) | 820 | 887,650 |
| San Pasqual Casino, 8.00%, 9/15/13 (b) | 975 | 926,250 |
| Scientific Games Corp., 0.75%, 12/01/24 (e)(i) | 280 | 278,600 |
| Travelport LLC: | | |
| 5.16%, 9/01/14 (f) | 160 | 148,800 |
| 9.88%, 9/01/14 | 210 | 209,475 |
| Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(h) | 305 | 412 |

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| | | |
|---|-----|-----------|
| Virgin River Casino Corp., 9.00%, 1/15/12 (a)(h) | 940 | 423,000 |
| | | 5,133,187 |

Household Durables 3.3%

| | | |
|---|-------|-----------|
| Beazer Homes USA, Inc.: | | |
| 6.88%, 7/15/15 | 380 | 333,450 |
| 8.13%, 6/15/16 | 315 | 288,225 |
| 12.00%, 10/15/17 | 1,345 | 1,492,950 |
| 9.13%, 6/15/18 | 1,770 | 1,663,800 |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | 1,725 | 1,763,812 |

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

Household Durables (concluded)

| | | | | |
|-------------------------|-----|-------|----|-----------|
| KB Home, 9.10%, 9/15/17 | USD | 215 | \$ | 217,688 |
| Standard Pacific Corp.: | | | | |
| 9.25%, 4/15/12 | | 135 | | 137,700 |
| 6.25%, 4/01/14 | | 365 | | 341,275 |
| 7.00%, 8/15/15 | | 265 | | 243,800 |
| 10.75%, 9/15/16 | | 1,225 | | 1,329,125 |
| 8.38%, 5/15/18 | | 605 | | 579,287 |
| | | | | 8,391,112 |

IT Services 1.2%

| | | | | |
|--|--|-------|--|-----------|
| Alliance Data Systems Corp., 1.75%, 8/01/13 (e) | | 1,645 | | 1,721,081 |
| First Data Corp., 9.88%, 9/24/15 | | 1,600 | | 1,288,000 |
| | | | | 3,009,081 |

Independent Power Producers & Energy Traders 3.2%

| | | | | |
|--|--|-------|--|-----------|
| The AES Corp., 8.75%, 5/15/13 (b) | | 450 | | 456,750 |
| AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29 | | 610 | | 663,375 |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | | 1,260 | | 1,272,600 |
| Energy Future Holdings Corp.: | | | | |
| 10.88%, 11/01/17 | | 955 | | 701,925 |
| 12.00%, 11/01/17 (d) | | 879 | | 560,048 |
| 10.00%, 1/15/20 (b) | | 2,425 | | 2,412,875 |
| NRG Energy, Inc., 7.25%, 2/01/14 | | 2,115 | | 2,088,563 |
| | | | | 8,156,136 |

Industrial Conglomerates 2.5%

| | | | | |
|----------------------|--|-------|--|-----------|
| Sequa Corp. (b): | | | | |
| 11.75%, 12/01/15 | | 2,340 | | 2,340,000 |
| 13.50%, 12/01/15 (d) | | 3,954 | | 4,028,149 |
| | | | | 6,368,149 |

Insurance 0.9%

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| | | |
|--|-------|-----------|
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b) | 1,700 | 1,693,625 |
| USI Holdings Corp., 4.31%, 11/15/14 (b)(f) | 680 | 544,000 |
| | | 2,237,625 |
| Internet & Catalog Retail 0.1% | | |
| NetFlix, Inc., 8.50%, 11/15/17 | 210 | 216,825 |
| Leisure Equipment & Products 0.6% | | |
| Brunswick Corp., 11.25%, 11/01/16 (b) | 995 | 1,114,400 |
| Easton-Bell Sports, Inc., 9.75%, 12/01/16 (b) | 280 | 289,100 |
| | | 1,403,500 |
| Life Sciences Tools & Services 0.3% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 175 | 181,781 |
| Patheon, Inc., 8.63%, 4/15/17 (b) | 585 | 585,000 |
| | | 766,781 |

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Machinery 1.8% | | |
| AGY Holding Corp., 11.00%, 11/15/14 | USD 980 | \$ 784,000 |
| Accuride Corp., 7.50%, 2/26/20 (d)(e) | 9 | 23,945 |
| Navistar International Corp.: 3.00%, 10/15/14 (e) | 1,900 | 2,346,500 |
| 8.25%, 11/01/21 | 1,000 | 1,000,000 |
| Titan International, Inc., 5.63%, 1/15/17 (b)(e) | 240 | 298,200 |
| | | 4,452,645 |
| Marine 0.7% | | |
| Horizon Lines, Inc., 4.25%, 8/15/12 (e) | 2,230 | 1,839,750 |
| Media 13.2% | | |
| Affinion Group, Inc.: 10.13%, 10/15/13 | 2,445 | 2,487,787 |
| 10.13%, 10/15/13 | 765 | 778,388 |
| CCH II LLC, 13.50%, 11/30/16 | 543 | 622,069 |
| CCO Holdings LLC (b): 7.88%, 4/30/18 | 470 | 461,188 |
| 8.13%, 4/30/20 | 470 | 465,300 |
| CMP Susquehanna Corp., 3.20%, 5/15/14 (b) | 160 | 3,200 |
| CSC Holdings, Inc., 8.50%, 4/15/14 (b) | 390 | 405,600 |
| Catalina Marketing Corp., 10.50%, 10/01/15 (b)(d) | 610 | 634,400 |
| Charter Communications Operating, LLC, 10.00%, 4/30/12 (b) | 500 | 521,875 |
| Clear Channel Worldwide Holdings, Inc. (b): Series A, 9.25%, 12/15/17 | 835 | 845,437 |
| Series B, 9.25%, 12/15/17 | 4,240 | 4,314,200 |
| Cox Enterprises, Inc.: Loan Close 2, 12.00%, 8/15/18 | 630 | 630,000 |
| Loan Close 3, 12.00%, 8/15/18 | 735 | 735,000 |
| Shares Loan, 12.00%, 8/15/18 | 735 | 735,000 |
| DISH DBS Corp., 7.00%, 10/01/13 | 90 | 91,350 |
| Gannett Co., Inc., 8.75%, 11/15/14 (b) | 600 | 630,000 |
| Gray Television, Inc., 10.50%, 6/29/15 (b) | 710 | 670,950 |
| Harland Clarke Holdings Corp.: 6.00%, 5/15/15 (f) | 350 | 279,125 |
| 9.50%, 5/15/15 | 420 | 374,850 |

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| | | | | |
|--|-----|-------|--|-----------|
| Intelsat Corp., 9.25%, 6/15/16 | | 2,450 | | 2,511,250 |
| Intelsat Subsidiary Holding Co. Ltd., 8.88%, 1/15/15 (b) | | 260 | | 261,300 |
| Liberty Global, Inc., 4.50%, 11/15/16 (b)(e) | | 470 | | 536,388 |
| Liberty Media Corp., 3.13%, 3/30/23 (e) | | 1,113 | | 1,175,606 |
| Lighthouse International Co. SA: 8.00%, 4/30/14 | EUR | 546 | | 422,113 |

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

Media (concluded)

| | | | | |
|--|-----|-------|----|------------|
| Lighthouse International Co. SA (concluded): | | | | |
| 8.00%, 4/30/14 (b) | EUR | 177 | \$ | 136,839 |
| Lions Gate Entertainment, Inc., 10.25%, 11/01/16 (b) | USD | 370 | | 372,775 |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b) | | 150 | | 148,500 |
| McClatchy Co., 11.50%, 2/15/17 (b) | | 1,260 | | 1,266,300 |
| Nexstar Broadcasting, Inc., 8.88%, 4/15/17 (b) | | 440 | | 435,600 |
| Nielsen Finance LLC: | | | | |
| 11.63%, 2/01/14 | | 180 | | 192,600 |
| 10.00%, 8/01/14 | | 1,890 | | 1,920,712 |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(h) | | 850 | | 807,410 |
| Rainbow National Services LLC (b): | | | | |
| 8.75%, 9/01/12 | | 440 | | 444,400 |
| 10.38%, 9/01/14 | | 1,582 | | 1,653,190 |
| Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b) | EUR | 648 | | 747,478 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (b) | USD | 1,735 | | 1,574,512 |
| UPC Germany GmbH (b): | | | | |
| 8.13%, 12/01/17 | | 600 | | 588,000 |
| 8.13%, 12/01/17 | EUR | 566 | | 685,882 |
| 9.63%, 12/01/19 | | 570 | | 692,478 |
| UPC Holding BV, 9.88%, 4/15/18 (b) | USD | 500 | | 505,000 |
| Unitymedia GmbH, 9.63%, 12/01/19 | EUR | 111 | | 137,575 |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b) | | 488 | | 575,911 |
| | | | | 33,477,538 |

Metals & Mining 5.0%

| | | | | |
|------------------------------------|-----|-------|--|---------|
| AK Steel Corp., 7.63%, 5/15/20 | USD | 535 | | 528,312 |
| Aleris International, Inc. (a)(h): | | | | |
| 9.00%, 12/15/14 | | 1,035 | | 2,588 |
| 10.00%, 12/15/16 | | 800 | | 5,480 |
| Drummond Co., Inc.: | | | | |
| 9.00%, 10/15/14 (b) | | 875 | | 870,625 |
| 7.38%, 2/15/16 | | 225 | | 214,313 |
| FMG Finance Property Ltd. (b): | | | | |
| 10.00%, 9/01/13 | | 535 | | 573,119 |

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| | | | |
|--|-----|-------|-----------|
| 10.63%, 9/01/16 | | 1,180 | 1,298,000 |
| Foundation PA Coal Co., 7.25%, 8/01/14 | | 1,975 | 1,999,687 |
| GoldCorp., Inc., 2.00%, 8/01/14 (b)(e) | | 190 | 222,538 |
| McJunkin Red Man Corp., 9.50%, 12/15/16 (b) | | 1,245 | 1,207,650 |
| Murray Energy Corp., 10.25%, 10/15/15 (b) | | 845 | 840,775 |
| New World Resources NV: 7.38%, 5/15/15 | EUR | 445 | 510,584 |

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

MAY 31, 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 |
|--|--------------|------------|
| Metals & Mining (concluded) | | |
| New World Resources NV (concluded): | | |
| 7.88%, 5/01/18 (b) | EUR 210 | \$ 241,465 |
| Novelis, Inc.: | | |
| 7.25%, 2/15/15 | USD 1,515 | 1,420,009 |
| 11.50%, 2/15/15 | 430 | 466,550 |
| Ryerson, Inc.: | | |
| 7.72%, 11/01/14 (f) | 400 | 372,500 |
| 12.00%, 11/01/15 | 265 | 269,638 |
| Steel Dynamics, Inc., 7.38%, 11/01/12 | 400 | 409,000 |
| United States Steel Corp., 7.38%, 4/01/20 | 520 | 508,300 |
| Vedanta Resources Plc, 9.50%, 7/18/18 (b) | 640 | 652,800 |
| | | 12,613,933 |
| Multiline Retail 1.3% | | |
| Dollar General Corp.: | | |
| 10.63%, 7/15/15 | 68 | 74,120 |
| 11.88%, 7/15/17 (d) | 2,661 | 3,020,235 |
| Saks, Inc., 9.88%, 10/01/11 | 295 | 309,750 |
| | | 3,404,105 |
| Oil, Gas & Consumable Fuels 6.2% | | |
| Arch Coal, Inc., 8.75%, 8/01/16 (b) | 55 | 56,100 |
| Atlas Energy Operating Co. LLC: | | |
| 12.13%, 8/01/17 | 500 | 555,000 |
| 10.75%, 2/01/18 | 260 | 275,600 |
| Berry Petroleum Co., 8.25%, 11/01/16 | 510 | 499,800 |
| Bill Barrett Corp., 9.88%, 7/15/16 | 240 | 248,400 |
| Chesapeake Energy Corp., 2.25%, 12/15/38 (e) | 800 | 579,000 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b) | 295 | 292,050 |
| Connacher Oil and Gas Ltd. (b): | | |
| 11.75%, 7/15/14 | 175 | 182,875 |
| 10.25%, 12/15/15 | 1,145 | 1,099,200 |
| Consol Energy, Inc., 8.25%, 4/01/20 (b) | 1,990 | 2,032,287 |
| Crosstex Energy LP, 8.88%, 2/15/18 (b) | 1,110 | 1,093,350 |
| | 897 | 926,152 |

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| | | |
|---|-------|-----------|
| Denbury Resources, Inc., 8.25%, 2/15/20 | | |
| Linn Energy LLC, 8.63%, 4/15/20 (b) | 790 | 782,100 |
| Massey Energy Co., 6.88%, 12/15/13 | 945 | 907,200 |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b) | 1,870 | 1,879,350 |
| OPTI Canada, Inc., 9.00%, 12/15/12 (b) | 1,340 | 1,346,700 |
| Patriot Coal Corp., 8.25%, 4/30/18 | 420 | 411,600 |
| Petrohawk Energy Corp.: 10.50%, 8/01/14 | 555 | 586,913 |

| Corporate Bonds | Par (000) | Value |
|---|--------------|-------------------|
| Oil, Gas & Consumable Fuels (concluded) | | |
| Petrohawk Energy Corp. (concluded): 7.88%, 6/01/15 | USD 460 | \$ 445,625 |
| Range Resources Corp., 8.00%, 5/15/19 | 400 | 412,000 |
| Sabine Pass LNG LP, 7.50%, 11/30/16 | 390 | 323,700 |
| Teekay Corp., 8.50%, 1/15/20 | 660 | 666,600 |
| | | <u>15,601,602</u> |

| | | |
|--|-------|------------------|
| Paper & Forest Products 3.7% | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) | 1,106 | 1,020,707 |
| Boise Paper Holdings LLC (b): 9.00%, 11/01/17 | 330 | 348,562 |
| 8.00%, 4/01/20 | 165 | 166,238 |
| Clearwater Paper Corp., 10.63%, 6/15/16 (b) | 390 | 428,025 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b) | 1,600 | 1,664,000 |
| Glatfelter, 7.13%, 5/01/16 (b) | 210 | 199,500 |
| NewPage Corp.: 10.00%, 5/01/12 | 785 | 456,281 |
| 11.38%, 12/31/14 | 4,435 | 4,146,725 |
| Verso Paper Holdings LLC, 11.50%, 7/01/14 (b) | 840 | 896,700 |
| | | <u>9,326,738</u> |

| | | |
|---|---------|------------------|
| Pharmaceuticals 0.6% | | |
| Angiotech Pharmaceuticals, Inc., 4.29%, 12/01/13 (f) | 1,050 | 819,000 |
| Elan Finance Plc, 8.88%, 12/01/13 | 105 | 105,262 |
| Novasep Holding SAS, 9.63%, 12/15/16 (b) | EUR 630 | 711,253 |
| | | <u>1,635,515</u> |

Real Estate Management & Development 0.5%

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| | | | |
|--|-----|-------|-----------|
| Forest City Enterprises, Inc., 7.63%, 6/01/15 | USD | 1,425 | 1,303,875 |
|--|-----|-------|-----------|

Road & Rail 0.5%

| | | | |
|---|--|-----|---------|
| Avis Budget Car Rental LLC, 9.63%, 3/15/18 (b) | | 510 | 510,000 |
| Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b) | | 820 | 787,200 |

1,297,200

Semiconductors & Semiconductor Equipment 0.2%

| | | | |
|--|--|-----|---------|
| Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b) | | 430 | 421,938 |
|--|--|-----|---------|

Software 0.0%

| | | | |
|---|--|-----|-------|
| BMS Holdings, Inc., 7.89%, 2/15/12 (b)(d)(f) | | 456 | 9,120 |
|---|--|-----|-------|

Specialty Retail 1.8%

| | | | |
|--|--|-----|---------|
| Asbury Automotive Group, Inc., 7.63%, 3/15/17 | | 350 | 325,500 |
|--|--|-----|---------|

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Specialty Retail (concluded) | | |
| General Nutrition Centers, Inc., 10.75%, 3/15/15 | USD 595 | \$ 599,463 |
| Group 1 Automotive, Inc., 2.25%, 6/15/36 (e)(i) | 1,055 | 859,825 |
| Hillman Group, Inc., 10.88%, 6/01/18 (b) | 530 | 530,000 |
| Limited Brands, Inc., 8.50%, 6/15/19 | 785 | 836,025 |
| Sonic Automotive, Inc., 9.00%, 3/15/18 | 370 | 372,775 |
| United Auto Group, Inc., 7.75%, 12/15/16 | 1,025 | 966,062 |
| | | 4,489,650 |
| Textiles, Apparel & Luxury Goods 0.5% | | |
| Quiksilver, Inc., 6.88%, 4/15/15 | 1,350 | 1,181,250 |
| Tobacco 0.1% | | |
| Vector Group Ltd., 11.00%, 8/15/15 (b) | 325 | 325,813 |
| Wireless Telecommunication Services 5.0% | | |
| Cricket Communications, Inc.: | | |
| 10.00%, 7/15/15 | 1,890 | 1,937,250 |
| 7.75%, 5/15/16 | 220 | 223,300 |
| Digicel Group Ltd. (b): | | |
| 8.88%, 1/15/15 | 800 | 774,000 |
| 9.13%, 1/15/15 (d) | 1,783 | 1,738,425 |
| 8.25%, 9/01/17 | 770 | 754,600 |
| 10.50%, 4/15/18 | 500 | 506,250 |
| FiberTower Corp., 9.00%, 1/01/16 | 284 | 238,668 |
| iPCS, Inc., 2.47%, 5/01/13 (f) | 815 | 749,800 |
| MetroPCS Wireless, Inc., 9.25%, 11/01/14 | 2,405 | 2,477,150 |
| NII Holdings, Inc., 2.75%, 8/15/25 (e) | 210 | 208,950 |
| Nextel Communications, Inc.: | | |
| Series E, 6.88%, 10/31/13 | 1,170 | 1,120,275 |
| Series F, 5.95%, 3/15/14 | 110 | 101,475 |
| Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b) | 275 | 247,500 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,790 | 1,487,937 |

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| | | | | |
|------------------------------|--------------|--|--|-------------|
| | | | | 12,565,580 |
| Total Corporate Bonds | 99.0% | | | 250,387,035 |

Floating Rate Loan Interests (f)

Aerospace & Defense 0.0%

| | | | | |
|--|-----|---|--|-------|
| Pedalgreen Ltd., Loan Facility, 9.57%, 11/30/15 (d) | GBP | 4 | | 4,730 |
|--|-----|---|--|-------|

Auto Components 1.0%

| | | | | |
|--|-----|-----|--|---------|
| Affinion Group Holdings, Inc., Loan, 7.89%, 3/01/12 | USD | 436 | | 410,666 |
|--|-----|-----|--|---------|

| Floating Rate Loan Interests (f) | | Par (000) | | Value |
|----------------------------------|--|--------------|--|-------|
|----------------------------------|--|--------------|--|-------|

Auto Components (concluded)

| | | | | |
|--|-----|-------|----|-----------|
| Allison Transmission, Inc., Term Loan, 3.01% - 3.10%, 8/07/14 | USD | 2,239 | \$ | 2,030,581 |
|--|-----|-------|----|-----------|

| | | | | |
|--|--|-----|--|---------|
| Dana Holding Corp., Term Advance, 4.53% - 4.73%, 1/30/15 | | 170 | | 163,696 |
|--|--|-----|--|---------|

2,604,943

Automobiles 1.4%

| | | | | |
|---|--|-------|--|-----------|
| Ford Motor Co., Tranche B-1 Term Loan, 3.31% - 3.34%, 12/15/13 | | 3,853 | | 3,587,325 |
|---|--|-------|--|-----------|

Building Products 1.3%

| | | | | |
|---|--|-------|--|-----------|
| CPG International I, Inc., Term Loan, 5.30%, 2/28/11 | | 3,242 | | 3,241,960 |
|---|--|-------|--|-----------|

Capital Markets 0.1%

| | | | | |
|--|--|-----|--|---------|
| Marsico Parent Co., LLC, Term Loan, 5.31% - 5.38%, 12/15/14 | | 379 | | 249,481 |
|--|--|-----|--|---------|

Chemicals 0.3%

| | | | | |
|---|--|-----|--|---------|
| PQ Corp., Term Loan (First Lien), 3.59% - 3.61%, 7/30/14 | | 737 | | 669,635 |
|---|--|-----|--|---------|

Commercial Services & Supplies 0.5%

| | | | | |
|---|--|-----|--|---------|
| International Lease Finance Corp.: Term Loan 1, 6.75%, 2/23/15 | | 750 | | 732,375 |
| Term Loan 2, 7.00%, 3/05/16 | | 550 | | 535,150 |

1,267,525

Construction & Engineering 0.8%

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

Consumer Finance 1.8%

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| | | |
|---|-------|-----------------|
| American General Finance Corp., Term Loan, 7.25%, 4/16/16 | 4,250 | 4,114,000 |
| Chrysler Financial Corp., Term Loan (Second Lien), 6.84%, 8/02/13 | 500 | 493,482 |
| | | <hr/> 4,607,482 |

Diversified Telecommunication Services 1.7%

| | | |
|--|-----------|-----------|
| Wind Finance SL SA, Euro Facility (Second Lien), 7.65%, 12/17/14 | EUR 3,460 | 4,208,768 |
|--|-----------|-----------|

Food & Staples Retailing 0.5%

| | | |
|--|-----------|-----------|
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15 | USD 1,246 | 1,263,144 |
|--|-----------|-----------|

Health Care Providers & Services 0.2%

| | | |
|---|-----|---------|
| Harden Healthcare, Term Loan A, 8.50%, 2/22/15 | 498 | 487,773 |
|---|-----|---------|

Hotels, Restaurants & Leisure 1.2%

| | | |
|--|-------|-----------|
| Travelport LLC (FKA Travelport, Inc.), Loan, 8.44%, 3/27/12 | 3,263 | 3,067,608 |
|--|-------|-----------|

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

MAY 31, 2010

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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 |
|--|--------------|------------|
| IT Services 0.2% | | |
| First Data Corp.: | | |
| Initial Tranche B-1 Term Loan, 3.03% - 3.09%, 9/24/14 | USD 346 | \$ 291,881 |
| Initial Tranche B-3 Term Loan, 3.03% - 3.04%, 9/24/14 | 410 | 345,141 |
| | | 637,022 |
| Independent Power Producers & Energy Traders 1.0% | | |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | |
| Initial Tranche B-1 Term Loan, 3.79% - 3.80%, 10/10/14 | 216 | 165,610 |
| Initial Tranche B-2 Term Loan, 3.79% - 4.07%, 10/10/14 | 256 | 196,317 |
| Initial Tranche B-3 Term Loan, 3.79% - 3.80%, 10/10/14 | 2,814 | 2,149,219 |
| | | 2,511,146 |
| Media 1.8% | | |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | |
| | 1,719 | 1,727,972 |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 5.53%, 6/12/14 | | |
| | 964 | 883,316 |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | | |
| | 1,200 | 1,260,000 |
| Protostar Ltd., Debtor in Possession Term Loan, 18.00%, 6/30/10 | | |
| | 149 | 148,672 |
| Worldcolor Press Inc. and Worldcolor (USA) Corp. (FKA Quebecor World, Inc.), Advance, 9.00%, 7/23/12 | | |
| | 497 | 501,021 |
| | | 4,520,981 |
| Multiline Retail 0.1% | | |
| The Neiman Marcus Group, Inc., Term Loan, 2.25% - 2.28%, 4/06/13 | | |
| | 258 | 235,199 |

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| Oil, Gas & Consumable Fuels 1.5% | | |
|--|-------|-----------|
| Tronox Worldwide LLC: | | |
| Tranche B-1 Term Loan, 9.00%, 6/24/10 | 1,261 | 1,265,118 |
| Tranche B-2 Term Loan 9.00%, 6/24/10 | 339 | 339,882 |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 | 2,307 | 2,076,211 |
| | | 3,681,211 |

| Paper & Forest Products 0.3% | | |
|--|-------|---------|
| Verso Paper Finance Holdings LLC, Loan, 6.60% - 7.35%, 2/01/13 (d) | | |
| | 1,318 | 856,441 |

| Floating Rate Loan Interests (f) | Par (000) | Value |
|--|--------------|------------|
| Real Estate Management & Development 0.2% | | |
| Realogy Corp.: | | |
| Initial Term B Loan, 3.29%, 10/10/13 | USD 399 | \$ 336,229 |
| Synthetic Letter of Credit, 3.35%, 10/10/13 | 128 | 107,925 |
| | | 444,154 |

| | | |
|--|-----|---------|
| Specialty Retail 0.2% | | |
| Claire's Stores, Inc., Term Loan B, 3.04%, 5/29/14 | | |
| | 138 | 115,671 |
| Michaels Stores, Inc., Term Loan B-1, 2.56% - 2.81%, 10/31/13 | 355 | 322,537 |
| | | 438,208 |

| | | |
|---|--|------------|
| Total Floating Rate Loan Interests 16.1% | | 40,584,736 |
|---|--|------------|

| Other Interests (j) | Beneficial Interest (000) | |
|---|---------------------------------|-----------|
| Auto Components 1.9% | | |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B Membership Interests | | |
| | (k) | 4,745,927 |
| Lear Corp. Escrow | 460 | 10,580 |
| | | 4,756,507 |

| | | |
|-------------------------|-----|-------|
| Media 0.0% | | |
| Adelphia Escrow | 750 | 75 |
| Adelphia Recovery Trust | 941 | 3,762 |
| | | 3,762 |

Specialty Retail 0.0%

| | | |
|---------------|-----|----|
| Buffets, Inc. | 575 | 58 |
|---------------|-----|----|

Total Other Interests 1.9%

4,760,402

Preferred Securities**Preferred Stocks****Shares****Diversified Financial Services 1.2%**

| | | |
|----------------------------|--------|-----------|
| Citigroup, Inc., 7.50% (e) | 10,900 | 1,304,076 |
| GMAC, Inc., 7.00% (b) | 2,405 | 1,809,011 |
| | | 3,113,087 |

Household Durables 0.1%

| | | |
|-----------------------------------|--------|---------|
| Beazer Homes USA, Inc., 7.50% (e) | 10,132 | 269,916 |
|-----------------------------------|--------|---------|

Media 0.2%

| | | |
|--|--------|--|
| CMP Susquehanna Radio Holdings Corp., 0.00% (a)(b) | 37,314 | |
|--|--------|--|

Schedule of Investments (continued)

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

| Preferred Stocks | Shares | Value |
|---|---------|------------------|
| Media (concluded) | | |
| TRA Global, Inc., 4.25% (a) | 286,652 | \$ 463,144 |
| | | <u>463,144</u> |
| Real Estate Investment Trusts (REITs) 0.1% | | |
| MPG Office Trust, Inc., Series A, 7.63% (a)(e) | 8,994 | 118,631 |
| Thriffs & Mortgage Finance 0.0% | | |
| Fannie Mae, Series O, 0.00% (a) | 30,000 | 37,500 |
| Freddie Mac, Series Z, 8.38% (a) | 75,961 | 79,759 |
| | | <u>117,259</u> |
| Total Preferred Securities 1.6% | | <u>4,082,037</u> |
| Warrants (l) | | |
| Containers & Packaging 0.0% | | |
| MDP Acquisitions Plc (expires 10/01/13) | 700 | 27,867 |
| 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 |
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (b) | 42,640 | 1 |
| New Vision Holdings LLC: (expires 9/30/14) | 3,424 | 34 |
| (expires 9/30/14) | 19,023 | 190 |
| | | <u>225</u> |
| Oil, Gas & Consumable Fuels 0.0% | | |
| Turbo Cayman Ltd. (no expiration) | 1 | |

| | |
|--|--------|
| Software 0.0% | |
| HMH Holdings/EduMedia (expires 3/09/17) | 11,225 |

| | |
|----------------------------|--------|
| Total Warrants 0.0% | 28,097 |
|----------------------------|--------|

| | |
|--|-------------|
| Total Long-Term Investments (Cost \$318,927,002) 122.5% | 309,651,075 |
|--|-------------|

| Short-Term Securities | Shares | Value |
|--|-----------|--------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.16% (m)(n) | 1,963,008 | \$ 1,963,008 |
| Total Short-Term Securities (Cost \$1,963,008) 0.8% | | 1,963,008 |

| Options Purchased | Contracts |
|---|-----------|
| Over-the-Counter Call Options 0.0% | |
| Marsico Parent Superholdco LLC, Strike Price USD 942.86, expires 12/01/19, Broker Goldman Sachs Bank USA | 19 |
| Total Options Purchased (Cost \$18,578) 0.0% | 3,990 |

| | |
|---|----------------|
| Total Investments (Cost \$320,908,588*) 123.3% | 311,618,073 |
| Liabilities in Excess of Other Assets (23.3)% | (58,806,535) |
| Net Assets 100.0% | \$ 252,811,538 |

* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 322,081,932 |
| Gross unrealized appreciation | \$ 12,844,524 |
| Gross unrealized depreciation | (23,308,383) |
| Net unrealized depreciation | \$ (10,463,859) |

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

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

MAY 31, 2010

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Schedule of Investments (continued)

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

- (m) 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 May 31, 2010 | Income |
|--|---|--------------|-----------------------------------|--------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 3,276,755 | (1,313,747) | 1,963,008 | \$ 649 |

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

Foreign currency exchange contracts as of May 31, 2010 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) | | |
|-----------------------|------------------|--------------|--------------------|--|---------|-------------------|
| EUR | 565,000 | USD | 700,989 | Citibank NA | 7/14/10 | \$ (7,289) |
| EUR | 163,000 | USD | 205,210 | Citigroup | 7/14/10 | (5,080) |
| USD | 16,155,718 | EUR | 12,873,000 | BNP Paribas | 7/14/10 | 350,399 |
| GBP | 656,000 | USD | 973,635 | Citibank NA | 7/28/10 | (24,819) |
| USD | 573,789 | CAD | 575,000 | Citibank NA | 7/28/10 | 27,515 |
| USD | 266,571 | GBP | 175,000 | Citibank NA | 7/28/10 | 13,457 |
| USD | 2,798,133 | GBP | 1,808,500 | Royal Bank of Scotland | 7/28/10 | 182,383 |
| Total | | | | | | \$ 536,566 |

Financial futures contracts sold as of May 31, 2010 were as follows:

| Contracts | Issue | Expiration Date | Notional Value | Unrealized Depreciation |
|-----------|-----------|--------------------|-------------------|----------------------------|
| 23 | S&P Index | June 2010 | \$ 6,248,375 | \$ (10,500) |

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Credit default swaps on single-name issues buy protection outstanding as of May 31, 2010 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------------------|----------------|-----------------------------|----------------|-----------------------|--|
| Wells Fargo & Co. | 1.00% | JPMorgan Chase Bank NA | June 2011 | USD 4,250 | \$ 6 |
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs International | December 2011 | USD 510 | 5,535 |
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs Bank USA | December 2013 | USD 1,000 | (11,131) |
| Louisiana-Pacific Corp. | 5.00% | JPMorgan Chase Bank NA | March 2014 | USD 500 | (121,425) |
| Brunswick Corp. | 5.00% | Goldman Sachs Bank USA | September 2014 | USD 200 | (17,815) |
| Centex Corp. | 1.00% | Deutsche Bank AG | September 2014 | USD 188 | 2,043 |
| Boston Scientific Corp. | 1.00% | Goldman Sachs Bank USA | December 2014 | USD 525 | 17,844 |
| Total | | | | | \$ (124,943) |

Schedule of Investments (continued)

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

Credit default swaps on single-name issues sold protection outstanding as of May 31, 2010 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|--------------------------------------|--------------------|-----------------------------|------------|----------------------------|------------------------------------|--|
| Advanced Micro Devices, Inc. | 5.00% | JPMorgan Chase Bank NA | March 2015 | B- | USD 600 | \$ 51 |
| Realogy Corp. | 5.00% | Credit Suisse International | March 2015 | C | USD 100 | (507) |
| Realogy Corp. | 5.00% | JPMorgan Chase Bank NA | March 2015 | C | USD 475 | (22,785) |
| AK Steel Corp. | 5.00% | Credit Suisse International | June 2015 | BB | USD 700 | (72,215) |
| AK Steel Corp. | 5.00% | JPMorgan Chase Bank NA | June 2015 | BB | USD 150 | (16,592) |
| AK Steel Corp. | 5.00% | Goldman Sachs International | June 2015 | BB | USD 600 | (44,912) |
| Levi Strauss & Co. | 5.00% | Citibank NA | June 2015 | B+ | USD 235 | (3,025) |
| NOVA Chemicals Corp. | 5.00% | Goldman Sachs International | June 2015 | B+ | USD 375 | (15,912) |
| United Rentals (North America), Inc. | 5.00% | Credit Suisse International | June 2015 | B | USD 500 | (23,459) |
| United Rentals (North America), Inc. | 5.00% | Goldman Sachs International | June 2015 | B | USD 550 | (16,135) |
| United Rentals (North America), Inc. | 5.00% | Goldman Sachs International | June 2015 | B | USD 150 | (5,779) |
| Total | | | | | | \$ (221,270) |

¹ Using Standard & Poor's rating of the issuer.

² The maximum potential amount the Fund may pay should a negative credit 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. This definition 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, which are as follows:

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

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Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, repayment 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)

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

MAY 31, 2010

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Schedule of Investments (continued)

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

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 annual report.

The following tables summarize the inputs used as of May 31, 2010 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------------|----------------|---------------|----------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Long-Term Investments: | | | | |
| Common Stocks | \$ 7,730,499 | \$ 1,160,544 | \$ 917,725 | \$ 9,808,768 |
| Corporate Bonds | | 246,272,586 | 4,114,449 | 250,387,035 |
| Floating Rate Loan Interests | | 27,890,726 | 12,694,010 | 40,584,736 |
| Other Interests | | | 4,760,402 | 4,760,402 |
| Preferred Stocks | 1,772,382 | 1,846,511 | 463,144 | 4,082,037 |
| Warrants | | 27,867 | 230 | 28,097 |
| Short-Term Securities | 1,963,008 | | | 1,963,008 |
| Liabilities: | | | | |
| Unfunded loan commitments | | | (47,602) | (47,602) |
| Total | \$ 11,465,889 | \$ 277,198,234 | \$ 22,902,358 | \$ 311,566,481 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|-------------|------------|---------|------------|
| Assets: | | | | |
| Credit contracts | | \$ 25,479 | | \$ 25,479 |
| Equity contracts | | 3,990 | | 3,990 |
| Foreign currency exchange contracts | | 573,754 | | 573,754 |
| Liabilities: | | | | |
| Credit contracts | | (371,692) | | (371,692) |
| Foreign currency exchange contracts | | (37,188) | | (37,188) |
| Interest rate contracts | \$ (10,500) | | | (10,500) |
| Total | \$ (10,500) | \$ 194,343 | | \$ 183,843 |

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

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 in determining fair value:

| Assets/Liabilities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Stocks | Unfunded Loan Commitments | Warrants | Total |
|--|-------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------------------|---------------|----------------------|
| Balance, as of February 28, 2010 | \$ 79,746 | \$ 4,246,019 | \$ 21,135,986 | \$ 4,699,133 | \$ 1 | \$ (115,579) | \$ 230 | \$ 30,045,536 |
| Accrued discounts/premiums | | 6,861 | 67,557 | | | | | 74,418 |
| Net realized gain (loss) | | 9,734 | (1,564,467) | 349,894 | | | | (1,204,839) |
| Net change in unrealized appreciation/depreciation ² | (4,595) | (148,654) | 650,121 | 77,575 | (1) | 67,977 | | 642,423 |
| Purchases | | 466 | (4,115,152) | (685,200) | | | | (4,799,886) |
| Sales | | 23 | 159,012 | 319,000 | | | | 478,035 |
| Transfers in ³ | 917,650 | | 937,966 | | 463,144 | | | 2,318,759 |
| Transfers out ³ | (75,076) | | (4,577,013) | | | | | (4,652,088) |
| Balance, as of May 31, 2010 | \$ 917,725 | \$ 4,114,449 | \$ 12,694,010 | \$ 4,760,402 | \$ 463,144 | \$ (47,602) | \$ 230 | \$ 22,902,358 |

² The change in the unrealized appreciation/depreciation on the securities still held on May 31, 2010 was \$456,624.

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

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

Item 3 – Exhibits

Certifications – Attached hereto

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

BlackRock Corporate High Yield Fund III, Inc.

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

Date: July 23, 2010

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

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

Date: July 23, 2010

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

Date: July 23, 2010

