

BLACKROCK CORPORATE HIGH YIELD FUND III INC  
Form N-Q  
July 24, 2009  
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: Donald C. Burke, Chief Executive Officer, BlackRock Corporate High Yield Fund III, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 02/28/2010

Date of reporting period: 05/31/2009

Item 1 – Schedule of Investments

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**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Corporate Bonds   | Par<br>(000) | Value     |
|--|---|--------------|-----------|
| <b>Aerospace &amp; Defense - 0.1%</b>            | Hawker Beechcraft Acquisition Co. LLC, 8.875%, 4/01/15 (a)                  | USD 295      | \$ 87,762 |
| <b>Airlines - 0.8%</b>                           | American Airlines Pass-Through Trust Series 2001-02,<br>7.858%, 4/01/13     | 600          | 549,000   |
|  | Continental Airlines, Inc. Series 1997-4-B, 6.90%, 7/02/18 (b)              | 699          | 503,610   |
|  | Continental Airlines, Inc. Series 2001-1-C, 7.033%, 12/15/12                | 336          | 259,102   |
|  | Continental Airlines, Inc. Series 2003-RJ, 7.875%, 1/02/20                  | 252          | 143,756   |
|  | UAL Corp., 4.50%, 6/30/21 (c)   | 355          | 140,225   |
|  |   |              | 1,595,693 |
| <b>Auto Components - 1.8%</b>                    | Allison Transmission, Inc., 11%, 11/01/15 (d)                               | 800          | 624,000   |
|  | Allison Transmission, Inc., 11.25%, 11/01/15 (a)(d)                         | 1,160        | 777,200   |
|  | The Goodyear Tire & Rubber Co., 7.857%, 8/15/11                             | 1,450        | 1,410,125 |
|  | The Goodyear Tire & Rubber Co., 8.625%, 12/01/11                            | 552          | 536,820   |
|  | Lear Corp., 8.75%, 12/01/16   | 425          | 110,500   |
|  |   |              | 3,458,645 |
| <b>Automobiles - 0.3%</b>                        | Ford Capital BV, 9.50%, 6/01/10   | 785          | 667,250   |
| <b>Building Products - 0.7%</b>                  | Momentive Performance Materials, Inc., 11.50%, 12/01/16                     | 790          | 185,650   |
|  | Ply Gem Industries, Inc., 11.75%, 6/15/13                                   | 1,805        | 1,155,200 |
|  |   |              | 1,340,850 |
| <b>Capital Markets - 1.1%</b>                    | E*Trade Financial Corp., 8%, 6/15/11  | 330          | 221,100   |
|  | E*Trade Financial Corp., 12.50%, 11/30/17 (a)(d)                            | 1,615        | 1,069,937 |
|  | Marsico Parent Co., LLC, 10.625%, 1/15/16 (d)                               | 1,073        | 439,930   |
|  | Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (a)(d)                          | 434          | 177,811   |
|  | Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (a)(d)                     | 296          | 121,471   |
|  |   |              | 2,030,249 |
| <b>Chemicals - 1.8%</b>                          | American Pacific Corp., 9%, 2/01/15   | 880          | 767,800   |
|  | Innophos, Inc., 8.875%, 8/15/14   | 825          | 740,437   |
|  | MacDermid, Inc., 9.50%, 4/15/17 (d)   | 1,260        | 768,600   |
|  | Terra Capital, Inc. Series B, 7%, 2/01/17                                   | 215          | 201,025   |
|  | Wellman Holdings, Inc. Second Lien Subordinate Note, 10%,<br>1/29/19 (c)(d) | 844          | 844,000   |
|  | Wellman Holdings, Inc. Third Lien Subordinate Note, 5%,<br>1/29/19 (c)(d)   | 256          | 128,000   |
|  |   |              | 3,449,862 |
| <b>Commercial Services &amp; Supplies - 3.7%</b> | Scientific Games International, Inc., 9.25%, 6/15/19 (d)                    | 555          | 539,738   |

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|  |  |           |           |
|--|--|-----------|-----------|
|  | US Investigations Services, Inc., 10.50%, 11/01/15 (d) | 700       | 570,500   |
|  | Waste Services, Inc., 9.50%, 4/15/14                   | 3,000     | 2,790,000 |
|  | West Corp., 9.50%, 10/15/14                            | 750       | 675,000   |
|  | West Corp., 11%, 10/15/16                              | 2,850     | 2,422,500 |
|  |  |           | 6,997,738 |
| <b>Construction &amp; Engineering - 0.8%</b> | Dycom Industries, Inc., 8.125%, 10/15/15               | 1,750     | 1,487,500 |
| <b>Construction Materials - 1.1%</b>         | Nortek, Inc., 10%, 12/01/13                            | 2,205     | 1,427,737 |
|  | Texas Industries, Inc., 7.25%, 7/15/13                 | 785       | 675,100   |
|  |  |           | 2,102,837 |
| <b>Containers &amp; Packaging - 5.6%</b>     | Berry Plastics Holding Corp., 4.504%, 9/15/14 (e)      | 1,765     | 1,156,075 |
|  | Crown European Holdings SA, 6.25%, 9/01/11             | EUR 1,265 | 1,779,398 |
|  | Graphic Packaging International Corp., 8.50%, 8/15/11  | USD 1,240 | 1,227,600 |

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Corporate Bonds  |     | Par<br>(000) | Value      |
|--|--|-----|--------------|------------|
|  | Graphic Packaging International Corp., 9.50%, 8/15/13                | USD | 1,025        | \$ 958,375 |
|  | Impress Holdings BV, 4.256%, 9/15/13 (d)(e)                          |     | 420          | 362,250    |
|  | Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13                 |     | 1,000        | 1,000,000  |
|  | Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14                | EUR | 430          | 562,302    |
|  | Packaging Dynamics Finance Corp., 10%, 5/01/16 (d)                   | USD | 1,355        | 453,925    |
|  | Pregis Corp., 12.375%, 10/15/13                                      |     | 1,200        | 762,000    |
|  | Rock-Tenn Co., 8.20%, 8/15/11  |     | 2,000        | 2,047,500  |
|  | Smurfit-Stone Container Enterprises, Inc., 8%, 3/15/17 (f)(g)        |     | 990          | 321,750    |
|  |  |     |              | 10,631,175 |
| <b>Diversified Consumer Services -<br/>1.4%</b>          | Service Corp. International, 7%, 6/15/17                             |     | 3,000        | 2,737,500  |
| <b>Diversified Financial Services -<br/>6.4%</b>         | Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16                   |     | 520          | 513,500    |
|  | Bank of America Corp., 5.65%, 5/01/18                                |     | 800          | 715,908    |
|  | FCE Bank Plc, 7.125%, 1/16/12  | EUR | 2,850        | 3,424,706  |
|  | FCE Bank Plc, 7.125%, 1/15/13  |     | 950          | 1,074,417  |
|  | FCE Bank Plc Series JD, 2.538%, 9/30/09 (e)                          |     | 270          | 368,341    |
|  | Ford Motor Credit Co. LLC, 3.889%, 1/13/12 (e)                       | USD | 215          | 169,850    |
|  | Ford Motor Credit Co. LLC, 7.80%, 6/01/12                            |     | 200          | 170,789    |
|  | Ford Motor Credit Co. LLC, 8%, 12/15/16                              |     | 180          | 144,547    |
|  | GMAC LLC, 7.25%, 3/02/11 (d)   |     | 379          | 341,100    |
|  | GMAC LLC, 6.875%, 9/15/11 (d)  |     | 500          | 447,500    |
|  | GMAC LLC, 2.868%, 12/01/14 (d)(e)                                    |     | 884          | 663,000    |
|  | GMAC LLC, 6.75%, 12/01/14 (d)  |     | 1,510        | 1,260,850  |
|  | GMAC LLC, 8%, 11/01/31 (d)   |     | 1,720        | 1,290,000  |
|  | General Motors Acceptance Corp. of Canada Ltd., 6%, 5/25/10          | CAD | 300          | 239,700    |
|  | Leucadia National Corp., 8.125%, 9/15/15                             | USD | 1,325        | 1,175,937  |
|  |  |     |              | 12,000,145 |
| <b>Diversified Telecommunication<br/>Services - 6.0%</b> | Broadview Networks Holdings, Inc., 11.375%, 9/01/12                  |     | 1,035        | 776,250    |
|  | Cincinnati Bell, Inc., 7.25%, 7/15/13                                |     | 470          | 445,325    |
|  | Frontier Communications Corp., 8.25%, 5/01/14                        |     | 340          | 332,350    |
|  | Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (d)               |     | 1,445        | 1,445,000  |
|  | Qwest Communications International, Inc., 7.50%, 2/15/14 (b)         |     | 2,020        | 1,858,400  |
|  | Qwest Communications International, Inc., 3.50%, 11/15/25 (c)        |     | 640          | 644,000    |
|  | Qwest Communications International, Inc. Series B, 7.50%,<br>2/15/14 |     | 1,730        | 1,591,600  |
|  | Qwest Corp., 3.879%, 6/15/13 (e)                                     |     | 1,550        | 1,391,125  |
|  | Qwest Corp., 7.625%, 6/15/15   |     | 525          | 502,688    |
|  | Qwest Corp., 8.375%, 5/01/16 (d)                                     |     | 400          | 393,000    |
|  | Windstream Corp., 8.125%, 8/01/13                                    |     | 1,900        | 1,869,125  |
|  |  |     |              | 11,248,863 |

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|                                    |  |       |           |
|------------------------------------|--|-------|-----------|
| <b>Electric Utilities - 1.6%</b>   | Edison Mission Energy, 7.50%, 6/15/13        | 725   | 610,812   |
|                                    | NSG Holdings LLC, 7.75%, 12/15/25 (d)        | 1,030 | 829,150   |
|                                    | Tenaska Alabama Partners LP, 7%, 6/30/21 (d) | 1,885 | 1,525,299 |
|                                    |  |       | 2,965,261 |
| <b>Electrical Equipment - 0.0%</b> | UCAR Finance, Inc., 10.25%, 2/15/12          | 55    | 51,288    |

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Corporate Bonds  | Par<br>(000) | Value      |
|--|--|--------------|------------|
| <b>Electronic Equipment,<br/>Instruments &amp; Components -<br/>0.2%</b> | Sanmina-SCI Corp., 8.125%, 3/01/16                             | USD 660      | \$ 369,600 |
| <b>Energy Equipment &amp; Services -<br/>0.8%</b>                        | Compagnie Generale de Geophysique-Veritas, 7.50%, 5/15/15      | 215          | 196,725    |
|  | Compagnie Generale de Geophysique-Veritas, 7.75%, 5/15/17      | 320          | 281,600    |
|  | North American Energy Partners, Inc., 8.75%, 12/01/11          | 375          | 313,125    |
|  | Transocean, Inc. Series A, 1.625%, 12/15/37 (c)                | 765          | 721,013    |
|  |  |              | 1,512,463  |
| <b>Food &amp; Staples Retailing - 0.6%</b>                               | AmeriQual Group LLC, 9.50%, 4/01/12 (d)                        | 800          | 480,000    |
|  | Rite Aid Corp., 7.50%, 3/01/17                                 | 950          | 745,750    |
|  |  |              | 1,225,750  |
| <b>Food Products - 0.4%</b>  | JBS USA LLC, 11.625%, 5/01/14 (d)                              | 400          | 384,000    |
|  | Tyson Foods, Inc., 10.50%, 3/01/14 (d)                         | 315          | 333,900    |
|  |  |              | 717,900    |
| <b>Health Care Equipment &amp;<br/>Supplies - 3.0%</b>                   | Catalent Pharma Solutions, Inc., 9.50%, 4/15/15                | 930          | 358,050    |
|  | DJO Finance LLC, 10.875%, 11/15/14 (b)                         | 5,300        | 4,346,000  |
|  | DJO Finance LLC, 11.75%, 11/15/14                              | 85           | 58,225     |
|  | Hologic, Inc., 2%, 12/15/37 (c)(h)                             | 1,285        | 893,075    |
|  |  |              | 5,655,350  |
| <b>Health Care Providers &amp;<br/>Services - 1.3%</b>                   | Community Health Systems, Inc. Series WI, 8.875%, 7/15/15      | 210          | 207,638    |
|  | Tenet Healthcare Corp., 9%, 5/01/15 (d)                        | 1,564        | 1,595,280  |
|  | Tenet Healthcare Corp., 10%, 5/01/18 (d)                       | 644          | 672,980    |
|  |  |              | 2,475,898  |
| <b>Hotels, Restaurants &amp; Leisure -<br/>6.5%</b>                      | American Real Estate Partners LP, 7.125%, 2/15/13              | 3,045        | 2,603,475  |
|  | Galaxy Entertainment Finance Co. Ltd., 7.323%, 12/15/10 (d)(e) | 300          | 267,000    |
|  | Galaxy Entertainment Finance Co. Ltd., 9.875%, 12/15/12 (d)    | 550          | 456,500    |
|  | Gaylord Entertainment Co., 8%, 11/15/13                        | 635          | 523,081    |
|  | Great Canadian Gaming Corp., 7.25%, 2/15/15 (d)                | 1,580        | 1,429,900  |
|  | Greektown Holdings, LLC, 10.75%, 12/01/13 (d)(f)(g)            | 559          | 39,130     |
|  | Harrah's Operating Co., Inc., 10%, 12/15/18 (d)                | 1,740        | 1,161,450  |
|  | Inn of the Mountain Gods Resort & Casino, 12%, 11/15/10        | 1,550        | 364,250    |
|  |  | 1,290        | 557,925    |

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|  |       |            |
|--|-------|------------|
| Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14<br>(d) |       |            |
| MGM Mirage, 10.375%, 5/15/14 (d)                                   | 500   | 515,000    |
| MGM Mirage, 11.125%, 11/15/17 (d)                                  | 820   | 858,950    |
| Penn National Gaming, Inc., 6.875%, 12/01/11                       | 2,025 | 1,964,250  |
| San Pasqual Casino, 8%, 9/15/13 (d)                                | 975   | 799,500    |
| Scientific Games Corp., 0.75%, 12/01/24 (c)(h)                     | 280   | 269,850    |
| Shingle Springs Tribal Gaming Authority, 9.375%, 6/15/15 (d)       | 360   | 208,800    |
| Travelport LLC, 5.293%, 9/01/14 (e)                                | 160   | 80,000     |
| Tropicana Entertainment LLC Series WI, 9.625%, 12/15/14<br>(f)(g)  | 305   | 1,525      |
| Virgin River Casino Corp., 9%, 1/15/12 (f)(g)                      | 940   | 98,700     |
|  |       | 12,199,286 |

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Corporate Bonds  | Par<br>(000) | Value      |
|--|--|--------------|------------|
| <b>Household Durables - 1.1%</b>                                   | American Greetings Corp., 7.375%, 6/01/16                            | USD 1,020    | \$ 642,600 |
|  | Beazer Homes USA, 8.375%, 4/15/12                                    | 590          | 318,600    |
|  | Jarden Corp., 8%, 5/01/16  | 275          | 266,062    |
|  | KB Home, 6.375%, 8/15/11   | 195          | 187,200    |
|  | Toll Brothers Finance Corp., 8.91%, 10/15/17                         | 686          | 687,494    |
|  |  |              | 2,101,956  |
| <b>IT Services - 1.5%</b>  | Alliance Data Systems Corp., 1.75%, 8/01/13 (c)(d)                   | 1,310        | 951,388    |
|  | First Data Corp., 11.25%, 3/31/16 (d)                                | 2,460        | 1,328,400  |
|  | SunGard Data Systems, Inc., 10.625%, 5/15/15 (d)                     | 580          | 561,150    |
|  |  |              | 2,840,938  |
| <b>Independent Power Producers<br/>&amp; Energy Traders - 3.6%</b> | The AES Corp., 8.75%, 5/15/13 (d)                                    | 1,070        | 1,088,725  |
|  | Calpine Construction Finance Co. LP, 8%, 6/01/16 (d)                 | 965          | 917,956    |
|  | Energy Future Holdings Corp., 11.25%, 11/01/17 (a)                   | 3,763        | 1,939,913  |
|  | NRG Energy, Inc., 7.25%, 2/01/14                                     | 1,625        | 1,555,937  |
|  | NRG Energy, Inc., 7.375%, 2/01/16                                    | 1,000        | 941,250    |
|  | Texas Competitive Electric Holdings Co. LLC, 11.25%,<br>11/01/16 (a) | 1,014        | 396,631    |
|  |  |              | 6,840,412  |
| <b>Industrial Conglomerates -<br/>1.3%</b>                         | Icahn Enterprises LP, 4%, 8/15/13 (c)(d)(e)                          | 255          | 174,299    |
|  | Sequa Corp., 11.75%, 12/01/15  | 2,540        | 1,130,300  |
|  | Sequa Corp., 13.50%, 12/01/15 (a)                                    | 3,579        | 1,158,782  |
|  |  |              |            |
| <b>Insurance - 0.9%</b>  | Alliant Holdings I, Inc., 11%, 5/01/15 (d)                           | 1,700        | 1,266,500  |
|  | USI Holdings Corp., 4.758%, 11/15/14 (d)(e)                          | 680          | 372,300    |
|  |  |              | 1,638,800  |
| <b>Life Sciences Tools &amp; Services -<br/>0.1%</b>               | Bio-Rad Laboratories, Inc., 8%, 9/15/16 (d)                          | 175          | 175,437    |
| <b>Machinery - 1.2%</b>  | AGY Holding Corp., 11%, 11/15/14                                     | 1,280        | 915,200    |
|  | Accuride Corp., 8.50%, 2/01/15                                       | 555          | 163,725    |
|  | Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14               | 590          | 639,474    |
|  | RBS Global, Inc., 9.50%, 8/01/14 (d)                                 | 218          | 182,030    |
|  | RBS Global, Inc., 8.875%, 9/01/16                                    | 450          | 326,250    |
|  |  |              | 2,226,679  |



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|                      |   |       |           |
|----------------------|---|-------|-----------|
| <b>Marine - 0.8%</b> | Horizon Lines, Inc., 4.25%, 8/15/12 (c)                         | 855   | 522,619   |
|                      | Navios Maritime Holdings, Inc., 9.50%, 12/15/14                 | 477   | 364,905   |
|                      | Teekay Shipping Corp., 8.875%, 7/15/11                          | 575   | 567,813   |
|                      |   |       | 1,455,337 |
| <b>Media - 11.9%</b> | Affinion Group, Inc., 10.125%, 10/15/13                         | 1,340 | 1,259,600 |
|                      | CCO Holdings LLC, 8.75%, 11/15/13                               | 555   | 507,825   |
|                      | CMP Susquehanna Corp., 4.753%, 5/15/14                          | 160   | 3,200     |
|                      | CSC Holdings, Inc., 8.50%, 4/15/14 (d)                          | 390   | 388,050   |
|                      | CSC Holdings, Inc. Series B, 7.625%, 4/01/11                    | 225   | 224,437   |
|                      | Cablevision Systems Corp. Series B, 8%, 4/15/12                 | 475   | 466,687   |
|                      | Catalina Marketing Corp., 10.50%, 10/01/15 (a)(d)(h)            | 2,700 | 2,268,000 |
|                      | Charter Communications Holdings II, LLC, 10.25%, 9/15/10 (f)(g) | 740   | 732,600   |

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry                          | Corporate Bonds  | Par<br>(000) | Value      |
|-----------------------------------|--|--------------|------------|
|                                   | Charter Communications Operating, LLC, 8.375%, 4/30/14<br>(d)(f) | USD 560      | \$ 532,000 |
|                                   | DIRECTV Holdings LLC, 8.375%, 3/15/13                            | 260          | 261,950    |
|                                   | EchoStar DBS Corp., 6.375%, 10/01/11                             | 250          | 241,563    |
|                                   | EchoStar DBS Corp., 7%, 10/01/13                                 | 90           | 85,050     |
|                                   | Harland Clarke Holdings Corp., 5.633%, 5/15/15 (e)               | 350          | 211,750    |
|                                   | Harland Clarke Holdings Corp., 9.50%, 5/15/15                    | 420          | 312,900    |
|                                   | Intelsat Corp., 9.25%, 6/15/16 (d)                               | 1,390        | 1,334,400  |
|                                   | Intelsat Subsidiary Holding Co. Ltd., 8.875%, 1/15/15 (d)        | 260          | 254,800    |
|                                   | Lamar Advertising Co. Series B, 2.875%, 12/31/10 (c)             | 400          | 368,000    |
|                                   | Liberty Media Corp., 3.125%, 3/30/23 (c)                         | 1,113        | 947,441    |
|                                   | Local Insight Regatta Holdings, Inc., 11%, 12/01/17              | 748          | 201,960    |
|                                   | Mediacom LLC, 9.50%, 1/15/13                                     | 1,365        | 1,303,575  |
|                                   | Network Communications, Inc., 10.75%, 12/01/13                   | 30           | 6,000      |
|                                   | Nielsen Finance LLC, 11.625%, 2/01/14 (d)                        | 180          | 178,200    |
|                                   | Nielsen Finance LLC, 10%, 8/01/14                                | 1,890        | 1,800,225  |
|                                   | Nielsen Finance LLC, 11.50%, 5/01/16 (d)                         | 500          | 475,000    |
|                                   | ProtoStar I Ltd., 18%, 10/15/12 (c)(d)(f)(g)                     | 850          | 271,970    |
|                                   | Rainbow National Services LLC, 10.375%, 9/01/14 (d)              | 1,582        | 1,631,438  |
|                                   | Salem Communications Corp., 7.75%, 12/15/10                      | 2,475        | 742,500    |
|                                   | TL Acquisitions, Inc., 10.50%, 1/15/15 (d)                       | 4,330        | 3,377,400  |
|                                   | Time Warner Cable, Inc., 8.25%, 4/01/19                          | 300          | 336,096    |
|                                   | UPC Holding B.V., 9.875%, 4/15/18 (d)                            | 500          | 482,500    |
|                                   | Virgin Media, Inc., 6.50%, 11/15/16 (c)(d)                       | 1,210        | 936,238    |
|                                   | WGM Acquisition Corp., 9.50%, 6/15/16 (d)                        | 240          | 239,700    |
|                                   |  |              | 22,383,055 |
| <b>Metals &amp; Mining - 4.8%</b> | Aleris International, Inc., 9%, 12/15/14 (f)(g)                  | 1,035        | 10,350     |
|                                   | Aleris International, Inc., 10%, 12/15/16 (f)(g)                 | 800          | 3,000      |
|                                   | Anglo American Capital Plc, 9.375%, 4/08/19 (d)                  | 360          | 382,709    |
|                                   | FMG Finance Property Ltd., 10%, 9/01/13 (d)                      | 535          | 476,150    |
|                                   | FMG Finance Property Ltd., 10.625%, 9/01/16 (d)                  | 1,295        | 1,149,312  |
|                                   | Foundation PA Coal Co., 7.25%, 8/01/14                           | 1,975        | 1,935,500  |
|                                   | Freeport-McMoRan Copper & Gold, Inc., 4.995%, 4/01/15 (e)        | 990          | 891,000    |
|                                   | Novelis, Inc., 7.25%, 2/15/15 (d)                                | 1,975        | 1,298,563  |
|                                   | Ryerson, Inc., 8.403%, 11/01/14 (e)                              | 400          | 220,500    |
|                                   | Ryerson, Inc., 12%, 11/01/15 (d)                                 | 265          | 178,875    |
|                                   | Steel Dynamics, Inc., 7.375%, 11/01/12                           | 460          | 423,200    |
|                                   | Teck Resources Ltd., 10.25%, 5/15/16 (d)                         | 300          | 303,750    |
|                                   | Teck Resources Ltd., 10.75%, 5/15/19 (d)                         | 1,150        | 1,183,063  |
|                                   | Vedanta Resources Plc, 9.50%, 7/18/18 (d)                        | 640          | 556,800    |
|                                   |  |              | 9,012,772  |
| <b>Multiline Retail - 1.1%</b>    | Dollar General Corp., 10.625%, 7/15/15                           | 470          | 497,025    |
|                                   | Macy's Retail Holdings, Inc., 5.875%, 1/15/13                    | 475          | 428,543    |
|                                   | Macy's Retail Holdings, Inc., 5.90%, 12/01/16                    | 1,250        | 1,052,045  |
|                                   | Saks, Inc., 7.50%, 12/01/13 (c)(d)                               | 65           | 63,375     |

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2,040,988

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**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry  | Corporate Bonds  | Par<br>(000) | Value        |
|---|--|--------------|--------------|
| <b>Oil, Gas &amp; Consumable Fuels - 9.4%</b>       |  |              |              |
|   | Atlas Energy Resources LLC, 10.75%, 2/01/18 (d)        | USD 1,275    | \$ 1,134,750 |
|   | Berry Petroleum Co., 8.25%, 11/01/16                   | 510          | 425,850      |
|   | Chesapeake Energy Corp., 9.50%, 2/15/15                | 520          | 513,500      |
|   | Chesapeake Energy Corp., 7.25%, 12/15/18               | 1,030        | 860,050      |
|   | Chesapeake Energy Corp., 2.25%, 12/15/38 (c)           | 800          | 464,000      |
|   | Compton Petroleum Finance Corp., 7.625%, 12/01/13      | 1,610        | 805,000      |
|   | Connacher Oil and Gas Ltd., 10.25%, 12/15/15 (d)       | 1,325        | 841,375      |
|   | Corral Finans AB, 2.631%, 4/15/10 (a)(d)               | 2,138        | 1,201,988    |
|   | EXCO Resources, Inc., 7.25%, 1/15/11                   | 2,800        | 2,506,000    |
|   | Encore Acquisition Co., 6.25%, 4/15/14                 | 2,000        | 1,705,000    |
|   | Forest Oil Corp., 7.25%, 6/15/19 (d)                   | 2,275        | 1,956,500    |
|   | Massey Energy Co., 3.25%, 8/01/15 (c)                  | 1,250        | 832,813      |
|   | OPTI Canada, Inc., 8.25%, 12/15/14                     | 1,725        | 1,190,250    |
|   | PetroHawk Energy Corp., 10.50%, 8/01/14 (d)            | 555          | 568,875      |
|   | PetroHawk Energy Corp., 7.875%, 6/01/15 (d)            | 460          | 426,650      |
|   | Range Resources Corp., 8%, 5/15/19                     | 400          | 394,000      |
|   | Sabine Pass LNG LP, 7.50%, 11/30/16                    | 390          | 315,900      |
|   | SandRidge Energy, Inc., 8.625%, 4/01/15 (a)            | 430          | 366,575      |
|   | SandRidge Energy, Inc., 9.875%, 5/15/16                | 500          | 476,250      |
|   | SandRidge Energy, Inc., 8%, 6/01/18 (c)                | 990          | 836,550      |
|   |  |              | 17,821,876   |
| <b>Paper &amp; Forest Products - 3.4%</b>           |  |              |              |
|   | Abitibi-Consolidated, Inc., 0%, 6/15/11 (e)(f)(g)      | 815          | 77,425       |
|   | Ainsworth Lumber Co. Ltd., 11%, 7/29/15 (d)            | 1,053        | 288,313      |
|   | Georgia-Pacific Corp., 8.125%, 5/15/11                 | 150          | 150,750      |
|   | Georgia-Pacific LLC, 8.25%, 5/01/16 (d)                | 1,600        | 1,576,000    |
|   | International Paper Co., 9.375%, 5/15/19               | 520          | 523,428      |
|   | Louisiana-Pacific Corp., 13%, 3/15/17 (d)              | 50           | 535,000      |
|   | NewPage Corp., 10%, 5/01/12                            | 2,590        | 1,450,400    |
|   | Norske Skog Canada Ltd. Series D, 8.625%, 6/15/11      | 885          | 515,512      |
|   | Verso Paper Holdings LLC, 11.50%, 7/01/14 (d)          | 335          | 308,093      |
|   | Verso Paper Holdings LLC Series B, 4.778%, 8/01/14 (e) | 280          | 151,200      |
|   | Verso Paper Holdings LLC Series B, 9.125%, 8/01/14     | 1,525        | 907,375      |
|   |  |              | 6,483,496    |
| <b>Personal Products - 0.5%</b>                     | Chattem, Inc., 7%, 3/01/14                             | 910          | 864,500      |
| <b>Pharmaceuticals - 0.6%</b>                       | Angiotech Pharmaceuticals, Inc., 4.418%, 12/01/13 (e)  | 1,390        | 1,000,800    |
|   | Elan Finance Plc, 8.875%, 12/01/13                     | 105          | 90,300       |
|   |  |              | 1,091,100    |
| <b>Real Estate Investment Trusts (REITs) - 0.3%</b> |  |              |              |
|   | FelCor Lodging LP, 8.50%, 6/01/11                      | 295          | 252,225      |
|   | HCP, Inc., 5.65%, 12/15/13                             | 440          | 393,277      |

645,502

|  |  |       |           |
|--|--|-------|-----------|
| <b>Real Estate Management &amp; Development - 1.5%</b> |  |       |           |
|  | Forest City Enterprises, Inc., 7.625%, 6/01/15 | 3,025 | 1,663,750 |
|  | Realty Corp., 10.50%, 4/15/14                  | 1,680 | 617,400   |
|  | Realty Corp., 12.375%, 4/15/15                 | 2,078 | 519,500   |
|  |  |       | 2,800,650 |

|                               |   |     |         |
|-------------------------------|---|-----|---------|
| <b>Road &amp; Rail - 0.2%</b> | Hertz Global Holdings, Inc., 5.25%, 6/01/14 (c) | 320 | 324,400 |
|-------------------------------|---|-----|---------|

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Corporate Bonds  | Par<br>(000) | Value       |
|--|--|--------------|-------------|
| <b>Semiconductors &amp;<br/>Semiconductor Equipment -<br/>0.4%</b> | Spansion, Inc., 4.386%, 6/01/13 (d)(e)(f)(g)             | USD 1,215    | \$ 765,450  |
| <b>Software - 0.0%</b>   | BMS Holdings, Inc., 9.224%, 2/15/12 (a)(d)(e)            | 417          | 50,140      |
| <b>Specialty Retail - 2.7%</b>                                     | Asbury Automotive Group, Inc., 7.625%, 3/15/17           | 350          | 241,500     |
|  | General Nutrition Centers, Inc., 6.404%, 3/15/14 (d)(e)  | 1,760        | 1,452,000   |
|  | General Nutrition Centers, Inc., 10.75%, 3/15/15         | 1,285        | 1,108,312   |
|  | Group 1 Automotive, Inc., 2.25%, 6/15/36 (c)(h)          | 1,055        | 590,800     |
|  | Michaels Stores, Inc., 10%, 11/01/14                     | 520          | 374,400     |
|  | Michaels Stores, Inc., 11.375%, 11/01/16                 | 940          | 512,300     |
|  | United Auto Group, Inc., 7.75%, 12/15/16                 | 1,110        | 854,700     |
|  |  |              | 5,134,012   |
| <b>Textiles, Apparel &amp; Luxury<br/>Goods - 1.6%</b>             | Levi Strauss & Co., 8.875%, 4/01/16 (b)                  | 2,000        | 1,880,000   |
|  | Quiksilver, Inc., 6.875%, 4/15/15                        | 1,750        | 1,163,750   |
|  |  |              | 3,043,750   |
| <b>Thrifts &amp; Mortgage Finance -<br/>1.2%</b>                   | Residential Capital Corp., 8.375%, 6/30/10               | 2,825        | 2,189,375   |
| <b>Wireless Telecommunication<br/>Services - 6.7%</b>              | Cricket Communications, Inc., 9.375%, 11/01/14           | 1,285        | 1,278,575   |
|  | Cricket Communications, Inc., 10%, 7/15/15 (d)           | 890          | 898,900     |
|  | Crown Castle International Corp., 9%, 1/15/15            | 215          | 217,150     |
|  | Digicel Group Ltd., 8.875%, 1/15/15 (d)                  | 1,370        | 1,096,000   |
|  | Digicel Group Ltd., 9.125%, 1/15/15 (a)(d)               | 1,983        | 1,507,080   |
|  | FiberTower Corp., 9%, 11/15/12 (c)                       | 633          | 261,904     |
|  | iPCS, Inc., 3.153%, 5/01/13 (e)                          | 815          | 674,413     |
|  | Leap Wireless International, Inc., 4.50%, 7/15/14 (c)(d) | 230          | 181,700     |
|  | MetroPCS Wireless, Inc., 9.25%, 11/01/14                 | 2,785        | 2,795,444   |
|  | NII Holdings, Inc., 2.75%, 8/15/25 (c)                   | 660          | 609,675     |
|  | Nextel Communications, Inc. Series D, 7.375%, 8/01/15    | 400          | 317,000     |
|  | Nextel Communications, Inc. Series E, 6.875%, 10/31/13   | 320          | 266,400     |
|  | Orascom Telecom Finance SCA, 7.875%, 2/08/14 (d)         | 275          | 225,500     |
|  | Sprint Capital Corp., 7.625%, 1/30/11                    | 2,330        | 2,300,875   |
|  |  |              | 12,630,616  |
|  | <b>Total Corporate Bonds - 102.8%</b>                    |              | 194,033,487 |
|  | <b>Floating Rate Loan Interests</b>                      |              |             |
| <b>Aerospace &amp; Defense - 0.1%</b>                              |  | 16           | 9,253       |

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Hawker Beechcraft Acquisition Co. LLC Letter of Credit  
 Facility Deposit, 3.22%, 3/26/14

|   |     |         |
|---|-----|---------|
| Hawker Beechcraft Acquisition Co. LLC Term Loan, 2.319%,<br>3/26/14 | 274 | 157,175 |
|---|-----|---------|

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166,428

|                               |   |       |           |
|-------------------------------|---|-------|-----------|
| <b>Auto Components - 1.5%</b> | Allison Transmission, Inc. Term Loan, 3.12% - 3.15%, 8/07/14            | 1,379 | 1,063,821 |
|                               | Dana Holding Corp. Term Advance, 7.25%, 1/31/15                         | 1,972 | 932,370   |
|                               | Delphi Corp. Initial Tranche Term Loan C, 10.50%, 12/31/09<br>(f)(g)    | 2,307 | 748,013   |
|                               | Delphi Corp. Subsequent Tranche Term Loan C, 10.50%,<br>12/31/09 (f)(g) | 243   | 78,613    |

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2,822,817

7

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Floating Rate Loan Interests   | Par<br>(000) | Value      |
|--|--|--------------|------------|
| <b>Automobiles - 0.5%</b>                                      | Ford Motor Co. Term Loan, 3.35% - 4.14%, 12/15/13  | USD 637      | \$ 451,231 |
|  | General Motors Corp. Secured Term Loan, 8%, 11/29/13   | 542          | 507,342    |
|  |  |              | 958,573    |
| <b>Building Products - 1.9%</b>                                | Building Materials Corp. of America Term Loan Advance,<br>3.063%, 2/22/14                                      | 495          | 417,466    |
|  | CPG International, I Inc. Term Loan B, 5.32%, 2/28/11  | 3,275        | 2,292,588  |
|  | Stile Acquisition Corp. (aka Masonite) Canadian Term Loan,<br>4.75%, 4/06/13                                   | 939          | 480,640    |
|  | Stile U.S. Acquisition Corp. (aka Masonite) U.S. Term Loan,<br>4.25%, 4/06/13                                  | 953          | 487,463    |
|  |  |              | 3,678,157  |
| <b>Capital Markets - 0.1%</b>                                  | Marsico Parent Co., LLC Term Loan, 4.625% - 7.50%,<br>12/15/14   | 463          | 220,143    |
| <b>Chemicals - 1.9%</b>  | Flexsys Term Loan, 12%, 6/30/11  | 895          | 850,250    |
|  | PQ Corp. (fka Niagara Acquisition, Inc.) Loan (Second Lien),<br>7.54%, 7/30/15                                 | 3,500        | 1,761,666  |
|  | PQ Corp. (fka Niagara Acquisition, Inc.) Term Loan (First<br>Lien), 4.29% - 4.47%, 7/31/14                     | 744          | 562,003    |
|  | Solutia Inc. Loan, 7.25%, 2/28/14  | 486          | 391,620    |
|  |  |              | 3,565,539  |
| <b>Diversified Financial Services - 0.1%</b>                   | Protostar Working Capital Term Loan, 0%, 9/30/10   | 100          | 98,000     |
| <b>Diversified Telecommunication Services - 2.4%</b>           | Wind Finance SL S.A. Euro Finance Facility (Second Lien),<br>7.099%, 12/17/14                                  | EUR 3,460    | 4,467,096  |
| <b>Electronics - 0.1%</b>                                      | First Data Corp. Initial Tranche B-1 Term Loan, 3.069%,<br>9/24/14   | USD 350      | 256,592    |
| <b>Health Care Providers &amp; Services - 1.5%</b>             | HCA Inc. Tranche A-1 Term Loan, 2.97%, 11/17/12  | 2,502        | 2,238,627  |
|  | Rotech Healthcare, Inc. Term Loan B, 6.319%, 9/26/11   | 1,778        | 533,292    |
|  |  |              | 2,771,919  |
| <b>Hotels, Restaurants &amp; Leisure - 0.4%</b>                | Travelport LLC (fka Travelport Inc.) Loan, 7.82%, 3/27/12  | 3,015        | 768,721    |
| <b>Independent Power Producers &amp; Energy Traders - 1.8%</b> | Texas Competitive Electric Holdings Co., LLC (TXU) Initial<br>Tranche B-1 Term Loan, 3.819% - 3.882%, 10/10/14 | 218          | 148,641    |



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|                         |   |       |           |
|-------------------------|---|-------|-----------|
|                         | Texas Competitive Electric Holdings Co., LLC (TXU) Initial Tranche B-2 Term Loan, 3.819% - 3.882%, 10/10/14 | 1,316 | 906,223   |
|                         | Texas Competitive Electric Holdings Co., LLC (TXU) Initial Tranche B-3 Term Loan, 3.819% - 3.882%, 10/10/14 | 3,447 | 2,356,366 |
|                         |   |       | 3,411,230 |
| <b>Machinery - 0.9%</b> | Navistar International Corp. Revolving Credit-Linked Deposit, 0.166% - 3.569%, 1/19/12                      | 535   | 446,152   |
|                         | Navistar International Corp. Term Advance, 3.569%, 1/19/12  | 1,470 | 1,225,876 |
|                         |   |       | 1,672,028 |
| <b>Media - 2.9%</b>     | Affinion Group Holdings, Inc. Loan, 9.273%, 3/01/12   | 400   | 260,000   |
|                         | Cengage Learning Acquisitions, Inc. (Thomson Learning) Tranche 1 Incremental Term Loan, 7.50%, 7/03/14      | 1,737 | 1,664,795 |
|                         | HMH Publishing Co. Ltd. (fka Education Media) Mezzanine, 5.50% - 6.25%, 11/14/14                            | 6,483 | 1,296,503 |

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Floating Rate Loan Interests   | Par<br>(000)  | Value        |
|--|--|---------------|--------------|
|  | HMH Publishing Co. Ltd. (fka Education Media) Tranche A<br>Term Loan, 7.66%, 6/12/14 | USD 2,640     | \$ 1,880,862 |
|  | NV Broadcasting, LLC Second Lien, 5.25%, 11/03/14 (f)(g)                             | 1,500         | 15,000       |
|  | Newsday, LLC Fixed Rate Term Loan, 9.75%, 8/01/13                                    | 450           | 448,875      |
|  |  |               | 5,566,035    |
| <b>Oil, Gas &amp; Consumable Fuels -<br/>1.0%</b>          | Turbo Beta Ltd. Dollar Facility, 14.50%, 3/15/18                                     | 2,250         | 1,799,616    |
| <b>Paper &amp; Forest Products - 0.7%</b>                  | Georgia-Pacific LLC Term B Loan, 2.319% - 3.293%,<br>12/20/12                        | 983           | 911,279      |
|  | NewPage Corp. Term Loan, 4.063% - 5%, 12/22/14                                       | 489           | 392,909      |
|  | Verso Paper Finance Holdings LLC Loan, 7.278% - 8.028%,<br>2/01/13                   | 1,230         | 61,481       |
|  |  |               | 1,365,669    |
| <b>Real Estate Management &amp;<br/>Development - 0.2%</b> | Realogy Corp. Initial Term B Loan, 4.177%, 10/10/13                                  | 403           | 280,050      |
|  | Realogy Corp. Synthetic LC, 0.166% - 3.15%, 10/10/13                                 | 129           | 89,893       |
|  |  |               | 369,943      |
| <b>Transportation Infrastructure -<br/>0.8%</b>            | SBA Telecommunications Term Loan, 1.994%, 11/01/10                                   | 1,654         | 1,471,804    |
|  | <b>Floating Rate Loan Interests - 18.8%</b>  |               | 35,430,310   |
|  | <b>Non-U.S. Government Agency Mortgage-Backed Securities</b>                         |               |              |
| <b>Commercial Mortgage-Backed<br/>Securities - 2.0%</b>    | Crown Castle Towers LLC Series 2005-1A Class AFL,<br>0.699%, 6/15/35 (e)             | 1,755         | 1,667,250    |
|  | Crown Castle Towers LLC Series 2005-1A Class AFX,<br>4.643%, 6/15/35 (d)             | 2,135         | 2,081,625    |
|  | <b>Total Non-U.S. Government Agency Mortgage-Backed<br/>Securities - 2.0%</b>        |               | 3,748,875    |
|  | <b>Common Stocks</b>   | <b>Shares</b> |              |
| <b>Chemicals - 0.0%</b>                                    | Wellman Holdings, Inc. (f)   | 1,522         | 381          |
| <b>Communications Equipment -<br/>1.4%</b>                 | Loral Space & Communications Ltd. (f)  | 82,907        | 2,556,852    |

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|   |  |                  |           |
|---|--|------------------|-----------|
| <b>Electrical Equipment - 0.0%</b>              | Medis Technologies Ltd. (f)                  | 70,784           | 19,112    |
|   | SunPower Corp. Class B (f)                   | 778              | 20,010    |
|   |  |                  | 39,122    |
| <b>Hotels, Restaurants &amp; Leisure - 0.0%</b> |  |                  |           |
|   | Buffets Restaurants Holdings, Inc. (f)       | 1,099            | 11        |
| <b>Paper &amp; Forest Products - 0.2%</b>       |  |                  |           |
|   | Ainsworth Lumber Co. Ltd. (f)                | 125,117          | 177,633   |
|   | Ainsworth Lumber Co. Ltd. (d)(f)             | 140,415          | 198,616   |
|   | Western Forest Products, Inc. (d)(f)         | 45,762           | 10,898    |
|   | Western Forest Products, Inc. (f)            | 158,023          | 37,633    |
|   |  |                  | 424,780   |
| <b>Total Common Stocks - 1.6%</b>               |  |                  | 3,021,146 |
| <b>Preferred Securities</b>                     |  |                  |           |
| <b>Capital Trusts</b>                           |  | <b>Par (000)</b> |           |
| <b>Diversified Financial Services - 0.3%</b>    | Citigroup, Inc. Series E, 8.40% (e)(f)(g)(i) | USD 675          | 590,618   |
| <b>Total Capital Trusts - 0.3%</b>              |  |                  | 590,618   |

**BlackRock Corporate High Yield Fund III, Inc.**

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry   | Preferred Stocks   | Shares                           | Value       |
|--|--|----------------------------------|-------------|
| <b>Capital Markets - 0.0%</b>                      | Marsico Parent Superholdco, LLC, 16.75% (d)(i)                     | 72                               | \$ 20,160   |
| <b>Diversified Financial Services - 0.1%</b>       | Preferred Blocker, Inc., 7% (d)(i)                                 | 590                              | 248,851     |
| <b>Media - 0.0%</b>                                | CMP Susquehanna Radio Holdings Corp., 0% (e)(i)                    | 37,314                           |             |
|  | <b>Total Preferred Stocks - 0.2%</b>                               |                                  | 269,011     |
|  | <b>Total Preferred Securities - 0.5%</b>                           |                                  | 859,629     |
|  | <b>Warrants (j)</b>  |                                  |             |
| <b>Health Care Providers &amp; Services - 0.0%</b> | HealthSouth Corp. (expires 1/16/14)                                | 32,042                           |             |
| <b>Hotels, Restaurants &amp; Leisure - 0.0%</b>    | Buffets Restaurants Holdings, Inc. (expires 4/29/14)               | 485                              | 5           |
| <b>Media - 0.0%</b>                                | CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (d)         | 42,640                           |             |
| <b>Paper &amp; Forest Products - 0.0%</b>          | MDP Acquisitions Plc (expires 10/01/13) (d)                        | 700                              | 20,525      |
|  | <b>Total Warrants - 0.0%</b>                                       |                                  | 20,530      |
|  | <b>Other Interests (k)</b>   | <b>Beneficial Interest (000)</b> |             |
| <b>Hotels, Restaurants &amp; Leisure - 0.0%</b>    | Buffets, Inc.  | USD 575                          | 58          |
| <b>Media - 0.0%</b>                                | Adelphia Escrow  | 750                              | 75          |
|  | Adelphia Recovery Trust  | 941                              | 3,762       |
|  |  |                                  | 3,837       |
|  | <b>Total Other Interests - 0.0%</b>                                |                                  | 3,895       |
|  | <b>Total Long-Term Investments (Cost - \$307,560,260) - 125.7%</b> |                                  | 237,117,872 |
|  | <b>Short-Term Securities</b>                                       | <b>Shares</b>                    |             |
|  | BlackRock Liquidity Funds, TempFund, 0.535% (l)(m)                 | 1,719,428                        | 1,719,428   |

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**Total Short-Term Securities**  
**(Cost - \$1,719,428) - 0.9%**

1,719,428

|                                      | Options Purchased  | Contracts |                       |
|--------------------------------------|--|-----------|-----------------------|
| <b>Over-The-Counter Call Options</b> | Marsico Parent Superholdco LLC, expiring December 2009 at USD 942.86, Broker The Goldman Sachs Group, Inc. | 19        | 30,400                |
|                                      | <b>Total Options Purchased</b>   |           | 30,400                |
|                                      | <b>(Cost - \$18,578) - 0.0%</b>  |           |                       |
|                                      | <b>Total Investments</b>   |           | 238,867,700           |
|                                      | <b>(Cost - \$309,298,266*) - 126.6%</b>  |           |                       |
|                                      | <b>Liabilities in Excess of Other Assets - (26.6)%</b>   |           | (50,178,453)          |
|                                      | <b>Net Assets - 100.0%</b>   |           | <b>\$ 188,689,247</b> |

\* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2009, as computed for federal income tax purposes, were as follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$ 310,968,986  |
| Gross unrealized appreciation | \$ 5,973,149    |
| Gross unrealized depreciation | (78,074,435)    |
| Net unrealized depreciation   | \$ (72,101,286) |

**BlackRock Corporate High Yield Fund III, Inc.****Schedule of Investments May 31, 2009 (Unaudited)**

- 
- (a) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
  - (b) All or portion of security has been pledged as collateral in connection with open swap contracts.
  - (c) Convertible security.
  - (d) 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.
  - (e) Variable rate security. Rate shown is as of report date.
  - (f) Non-income producing security.
  - (g) Issuer filed for bankruptcy and/or is in default of interest payments.
  - (h) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the effective yield as of report date.
  - (i) Security is perpetual in nature and has no stated maturity date.
  - (j) 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.
  - (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
  - (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Co. Act of 1940, were as follows:

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| Affiliate   | Net Activity    | Income   |
|---|-----------------|----------|
| BlackRock Liquidity Funds, TempFund               | 1,719,428       | \$ 2,484 |
| BlackRock Liquidity Series, LLC Cash Sweep Series | USD (8,370,522) | \$ 2,506 |

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

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

Foreign currency exchange contracts as of May 31, 2009 were as follows:

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| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|--------------|-----------------|--|
| EUR                | 65,000 USD    | Citibank NA  | 6/02/09         | \$ 1,241                               |

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|              |            |     |           |             |         |                     |
|--------------|------------|-----|-----------|-------------|---------|---------------------|
| USD          | 474,297    | CAD | 592,500   | Citibank NA | 6/10/09 | (68,448)            |
| USD          | 11,038,372 | EUR | 8,103,000 | Citibank NA | 7/15/09 | (412,565)           |
| <b>Total</b> |            |     |           |             |         | <b>\$ (479,772)</b> |

Credit default swaps on single-name issues - buy protection outstanding as of May 31, 2009 were as follows:

| <b>Issuer</b>           | <b>Pay<br/>Fixed Rate</b> | <b>Counterparty</b>            | <b>Expiration</b> | <b>Notional<br/>Amount<br/>(000)</b> | <b>Unrealized<br/>Appreciation<br/>(Depreciation)</b> |
|-------------------------|---------------------------|--------------------------------|-------------------|--------------------------------------|---|
| Mohawk Industries, Inc. | 4.70%                     | Goldman Sachs<br>International | March 2014        | USD 750                              | \$ (60,303)   |
| Masco Corp.             | 5.85%                     | Goldman Sachs<br>International | March 2014        | USD 750                              | (75,161)  |

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**BlackRock Corporate High Yield Fund III, Inc.****Schedule of Investments May 31, 2009 (Unaudited)**

| Issuer                   | Pay Fixed Rate | Counterparty                | Expiration | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------------|----------------|-----------------------------|------------|-----------------------|--|
| Tyson Foods Inc.         | 4.25%          | Goldman Sachs International | March 2014 | USD 400               | \$ (37,944)                            |
| Macy's Retail Holdings I | 8.05%          |                             | March 2014 | USD 600               | (131,496)                              |
| Louisiana-Pacific Corp.  | 5.00%          | JPMorgan Chase              | March 2014 | USD 500               | (81,718)                               |
| Black & Decker Corp.     | 2.93%          | Goldman Sachs International | March 2014 | USD 600               | (38,390)                               |
| Lennar Corp.             | 5.75%          | JPMorgan Chase              | June 2014  | USD 500               | (47,138)                               |
| First Data Corp.         | 5.00%          | Credit Suisse               | June 2014  | USD 250               | 11,154                                 |
| <b>Total</b>             |                |                             |            |                       | <b>\$ (460,996)</b>                    |

Credit default swaps on single-name issues - sold protection outstanding as of May 31, 2009 were as follows:

| Issuer         | Receive Fixed Rate | Counterparty                | Expiration | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Depreciation |
|----------------|--------------------|-----------------------------|------------|----------------------------|------------------------------------|-------------------------|
| Ford Motor Co. | 3.80%              | UBS AG                      | March 2010 | CCC                        | USD 1,000                          | \$ (173,688)            |
| Ford Motor Co. | 5.00%              | Goldman International Sachs | June 2010  | CCC                        | USD 4,000                          | (817,037)               |
| <b>Total</b>   |                    |                             |            |                            |                                    | <b>\$ (990,725)</b>     |

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

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

Currency Abbreviations:

CAD Canadian Dollar  
 EUR Euro  
 USD US Dollar



**BlackRock Corporate High Yield Fund III, Inc.****Schedule of Investments May 31, 2009 (Unaudited)**

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ) clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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

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

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

The following table summarizes the inputs used as of May 31, 2009 in determining the fair valuation of the Fund's investments:

| Valuation<br>Inputs | Investments in<br>Securities |           | Other Financial<br>Instruments* |                       |
|---------------------|------------------------------|-----------|---------------------------------|-----------------------|
|                     | Assets                       |           | Assets                          | Liabilities           |
| Level 1             | \$ 4,541,566                 |           |                                 |                       |
| Level 2             | 212,724,579                  | \$        | 12,395                          | \$ (1,943,888)        |
| Level 3             | 21,571,155                   |           |                                 |                       |
| <b>Total</b>        | <b>\$ 238,837,300</b>        | <b>\$</b> | <b>12,395</b>                   | <b>\$ (1,943,888)</b> |

\* Other financial instruments are swaps, foreign currency exchange contracts and option contracts. Swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

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

|  | Investments in<br>Securities |
|--|------------------------------|
| Balance as of February 28, 2009                | \$ 17,946,535                |
| Realized loss                                  | (1,482,100)                  |
| Change in unrealized appreciation/depreciation | 2,967,838                    |
| Net sales                                      | (528,181)                    |

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|                             |               |
|-----------------------------|---------------|
| Net transfers into Level 3  | 2,667,063     |
| <hr/>                       |               |
| Balance, as of May 31, 2009 | \$ 21,571,155 |
| <hr/>                       |               |

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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/ Donald C. Burke  
Donald C. Burke  
Chief Executive Officer of  
BlackRock Corporate High Yield Fund III, Inc.

Date: July 15, 2009

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/ Donald C. Burke  
Donald C. Burke  
Chief Executive Officer (principal executive officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: July 15, 2009

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

Date: July 15, 2009