

BLACKROCK INCOME TRUST INC.  
Form N-CSR  
November 03, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES**

Investment Company Act file number 811-05542

Name of Fund: BlackRock Income Trust, Inc. (BKT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Income Trust, Inc.,  
55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2014

Date of reporting period: 08/31/2014

Item 1 – Report to Stockholders

AUGUST 31, 2014

ANNUAL REPORT

**BlackRock Core Bond Trust (BHK)**

**BlackRock Corporate High Yield Fund, Inc. (HYT)**

**BlackRock Income Opportunity Trust, Inc. (BNA)**

**BlackRock Income Trust, Inc. (BKT)**

**Not FDIC Insured    May Lose Value    No Bank Guarantee**

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Shareholder Letter

Dear Shareholder,

The latter part of 2013 was a strong period for most risk assets such as equities and high yield bonds, despite the mixed tone of economic and financial news and uncertainty as to when and by how much the U.S. Federal Reserve would begin to gradually reduce (or taper ) its asset purchase programs. Stock markets rallied in September when the Fed defied investors' expectations with its decision to delay tapering. The momentum was disrupted temporarily, however, when the U.S. debt ceiling debate led to a partial government shutdown, roiling financial markets globally until a compromise was struck in mid-October. The remainder of 2013 was generally positive for developed market stocks, while fixed income and emerging market investments struggled as Fed tapering became increasingly imminent. When the central bank ultimately announced its tapering plans in mid-December, equity investors reacted positively, as this action signaled the Fed's perception of real improvement in the economy.

Most asset classes moved higher in 2014 despite the pull back in Fed stimulus. The year got off to a rocky start, however, as a number of developing economies showed signs of stress while facing the onset of diminishing global liquidity. These risks, combined with disappointing U.S. economic data, caused equities to decline in January while bond markets found renewed strength from investors seeking relatively safer assets. Although these headwinds persisted, equities were back on the rise in February as investors were relieved by a one-year extension of the U.S. debt ceiling and market-friendly comments from the Fed's new Chairwoman, Janet Yellen. While it was clear that U.S. economic data had softened, investors were assuaged by increasing evidence that the trend was temporary and weather-related, and continued to take on risk with the expectation that growth would pick up later in the year.

In the months that followed, interest rates trended lower and bond prices climbed higher in the modest growth environment. Financial markets exhibited a remarkably low level of volatility despite rising geopolitical risks and mixed global economic news. Tensions in Russia and Ukraine and signs of decelerating growth in China caused some turbulence, but markets were resilient as investors focused on signs of improvement in the U.S. recovery, stronger corporate earnings and increased merger-and-acquisition activity. Importantly, investors were comforted by reassurance from the Fed that no changes to short-term interest rates were on the horizon.

In the ongoing low-rate environment, investors looked to equities as a source of yield, pushing major indices to record levels. As stock prices continued to move higher, investors soon became wary of stretched valuations and a new theme emerged. Stocks that had experienced significant price appreciation in 2013, particularly growth and momentum names, broadly declined as investors fled to stocks with cheaper valuations. This rotation resulted in the strongest performers of 2013 struggling most in 2014, and vice versa. Especially hard hit were U.S. small cap and European stocks, where earnings growth had not kept pace with recent market gains. In contrast, emerging market stocks benefited from the trend after having suffered heavy selling pressure earlier in the year.

However, asset prices tend to be more vulnerable to bad news when investors believe valuations are high. Consequently, markets came under pressure in July as geopolitical turmoil intensified in Gaza, Iraq and Ukraine and financial troubles boiled over in Argentina and Portugal. Investors regained confidence in August and, although volatility ticked up, markets rebounded as low rates and an improving U.S. economy trumped full valuations and lingering geopolitical risks. Concurrently, a slowdown in Europe's recovery fueled hopes for further monetary accommodation from the European Central Bank, driving global equities higher. Additionally, lower yields on European sovereign bonds made U.S. Treasuries more appealing by comparison, contributing to the persistence of low rates in the United States.

Despite a host of challenges, most asset classes generated solid returns for the six- and 12-month periods ended August 31, 2014, with equities generally outperforming fixed income. Emerging market equities delivered impressive gains. Developed markets also performed well, although the expensive U.S. small cap stocks lagged in 2014. Most fixed income assets produced positive results even as the Fed reduced its open-market purchases. Tax-exempt municipal bonds benefited from a favorable supply-and-demand environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today's world.

Sincerely,

**Rob Kapito**

President, BlackRock Advisors, LLC

*Asset prices pushed higher over the period despite modest global growth, geopolitical risks and a shift toward tighter U.S. monetary policy.*

**Rob Kapito**

President, BlackRock Advisors, LLC

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**Total Returns as of August 31, 2014**

	<b>6-month</b>	<b>12-month</b>
U.S. large cap equities (S&P 500® Index)	8.84 %	25.25 %
U.S. small cap equities (Russell 2000® Index)	(0.06 )	17.68
International equities (MSCI Europe, Australasia, Far East Index)	1.24	16.44
Emerging market equities (MSCI Emerging Markets Index)	14.52	19.98
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.02	0.05
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	4.35	7.07
U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)	2.74	5.66
Tax-exempt municipal bonds (S&P Municipal Bond Index)	4.21	10.55
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	2.89	10.57

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

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Trust Summary as of August 31, 2014  
**Trust Overview**

**BlackRock Core Bond Trust**

**BlackRock Core Bond Trust s (BHK) (the Trust )** investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust s investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

On June 6, 2014, the Boards of the Trust, BlackRock Income Opportunity Trust, Inc. ( BNA ) and BlackRock Income Trust, Inc. ( BKT ) approved the reorganizations of BKT and BNA with and into the Trust, with the Trust continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the shareholders of the Trust and BNA approved the reorganization of BNA with and into the Trust, which is expected to be completed in late 2014. The reorganization of BKT with and into the Trust was not approved by BKT shareholders. Consequently, the reorganization of BKT with and into the Trust will not be completed.

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the 12-month period ended August 31, 2014, the Trust returned 16.78% based on market price and 16.09% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 13.73% based on market price and 11.63% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

In a generally positive environment for fixed income markets, spread sectors, including investment grade credit and securitized debt, performed well given strong market fundamentals as well as net negative supply, particularly in corporate credit securities. The largest contributors to the Trust s performance were positions in corporate credit, specifically high yield, as well as capital securities and investment grade industrials. The Trust also benefited from exposure to US Treasuries and commercial mortgage-backed securities ( CMBS ), non-US dollar positions, sovereign-related debt and agency mortgage-backed securities ( MBS ) 30-year pass-throughs. Based on the view that short-term rates would remain low, the Trust maintained a high level of leverage to augment income generation throughout the period.

**Describe recent portfolio activity.**

The Trust s allocations remained consistent throughout the 12-month period, with its largest position in investment grade corporate credit, followed by allocations to high yield corporate credit and securitized credits, including CMBS and asset-backed securities ( ABS ).

**Describe portfolio positioning at period end.**

At period end, the Trust maintained diversified exposure to non-government spread sectors including investment grade credit, high yield credit, CMBS, ABS and non-agency residential MBS. The Trust also held exposure to government-related sectors including US Treasury securities, agency debt and agency MBS. The Trust ended the period with a long duration profile.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

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## BlackRock Core Bond Trust

## Trust Information

Symbol on New York Stock Exchange ( NYSE )	BHK
Initial Offering Date	November 27, 2001
Current Distribution Rate on Closing Market Price as of August 31, 2014 (\$13.64) <sup>1</sup>	6.64%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0755
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.9060
Economic Leverage as of August 31, 2014 <sup>3</sup>	29%

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

## Market Price and Net Asset Value Per Share Summary

	8/31/14	8/31/13	Change	High	Low
Market Price	\$13.64	\$12.50	9.12%	\$14.00	\$12.27
Net Asset Value	\$15.24	\$14.05	8.47%	\$15.24	\$13.82

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

Portfolio Composition	8/31/14	8/31/13
Corporate Bonds	56%	58%
Non-Agency Mortgage-Backed Securities	10	11
U.S. Treasury Obligations	10	8
U.S. Government Sponsored Agency Securities	9	10
Preferred Securities	8	5
Asset-Backed Securities	4	5
Municipal Bonds	2	2
Foreign Agency Obligations	1	1

  

Credit Quality Allocation <sup>4</sup>	8/31/14	8/31/13
AAA/Aaa <sup>5</sup>	24%	14%
AA/Aa	7	15
A	18	21
BBB/Baa	28	23
BB/Ba	13	12
B	7	13

CCC/Caa	1	1
N/R	2	1

For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's ( S&P ) or Moody's Investors Service ( Moody's ) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used.

<sup>4</sup> Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>5</sup> The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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Trust Summary as of August 31, 2014  
**Trust Overview**

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

**BlackRock Corporate High Yield Fund, Inc. s (HYT) (the Trust )** primary investment objective is to provide shareholders with current income. The Trust s secondary investment objective is to provide shareholders with capital appreciation. The Trust seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its assets in domestic and foreign high yield securities, including high yield bonds (commonly referred to as junk bonds), corporate loans, convertible debt securities and preferred securities which are below investment grade quality. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the 12-month period ended August 31, 2014, the Trust returned 15.58% based on market price and 16.21% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 15.47% based on market price and 14.60% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust benefited from its allocation to the equity of select high yield companies, which we prefer to higher beta CCC-rated bonds in this environment. In particular, equity positions in General Motors Co., Ally Financial, Inc., The Goodyear Tire & Rubber Co., American International Group, Inc. and American Capital Ltd. were notable contributors. Also adding to performance was issuer selection within high yield bonds and bank loans, with strong returns from Caesars Entertainment Resort Properties, LLC, TXU Corp., HD Supply, Inc. and Amaya Gaming. The Trust s limited exposure to bonds in the BB-rated quality range was a disadvantage as these bonds outperformed B-rated bonds, in which the Trust held a large allocation. The Trust s exposure to bank loans detracted from results as the asset class underperformed high yield bonds during the period.

**Describe recent portfolio activity.**

After five years of a favorable high yield market, pricing differentials between sectors have compressed. In this environment, the Trust s investment decisions were focused on bottom-up security selection over top-down sector allocation. The Trust held a broader than normal portfolio, allocated across roughly 500 issuers (versus the typical 250 to 300), although 25 names represented about one-third of portfolio exposure. The Trust maintained a low exposure to BB-rated bonds given their low coupons and greater sensitivity to rising interest rates, while maintaining non-benchmark exposure to bank loans and the equity of select high yield companies.

**Describe portfolio positioning at period end.**

At period end, the Trust held 75% of its total portfolio in corporate bonds, 12% in floating rate loan interests (bank loans) and 8% in common stocks, with the remainder invested in preferred stocks and other interests.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.



## BlackRock Corporate High Yield Fund, Inc.

## Trust Information

Symbol on NYSE	HYT
Initial Offering Date	May 30, 2003
Current Distribution Rate on Closing Market Price as of August 31, 2014 (\$12.07) <sup>1</sup>	7.51%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0755
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.9060
Economic Leverage as of August 31, 2014 <sup>3</sup>	30%

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

Represents bank borrowings as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

## Market Price and Net Asset Value Per Share Summary

	8/31/14	8/31/13	Change	High	Low
Market Price	\$12.07	\$11.37	6.16%	\$12.65	\$11.34
Net Asset Value	\$13.47	\$12.62	6.74%	\$13.55	\$12.62

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

Portfolio Composition	8/31/14	8/31/13
Corporate Bonds	75%	76%
Floating Rate Loan Interests	12	14
Common Stocks	9	7
Preferred Securities	3	2
Asset-Backed Securities	1	1

Credit Quality Allocation <sup>4</sup>	8/31/14	8/31/13 <sup>5</sup>
AA/Aa	6	
A	6	6
BBB/Baa	4%	4%
BB/Ba	33	28
B	38	46
CCC/Caa	13	10
N/R	12	12

<sup>4</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized

statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>5</sup> Information has been revised to conform to current year presentation.

<sup>6</sup> Representing less than 0.5% of the Trust's long-term investments.

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Trust Summary as of August 31, 2014  
**Trust Overview**

**BlackRock Income Opportunity Trust, Inc.**

**BlackRock Income Opportunity Trust, Inc. s (BNA) (the Trust )** investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust s investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

On June 6, 2014, the Boards of the Trust, BlackRock Core Bond Trust ( BHK ) and BlackRock Income Trust, Inc. ( BKT ) approved the reorganizations of the Trust and BKT with and into BHK, with BHK continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the shareholders of the Trust and BHK approved the reorganization of the Trust with and into BHK, which is expected to be completed in late 2014. The reorganization of BKT with and into BHK was not approved by BKT shareholders. Consequently, the reorganization of BKT with and into BHK will not be completed.

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the 12-month period ended August 31, 2014, the Trust returned 17.73% based on market price and 16.46% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 13.73% based on market price and 11.63% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust benefited from the generally positive market environment, with positions in investment grade corporate credit and high yield being the largest contributors to returns. The Trust s allocations to U.S. Treasuries and agency mortgage-backed securities ( MBS ) also contributed positively as the 10-year Treasury rate unexpectedly rallied lower during the period. (Bond prices rise when rates fall.) Exposure to securitized assets, including commercial mortgage-backed securities ( CMBS ) and asset-backed securities ( ABS ) also had a positive impact on performance.

As most fixed income sectors performed well during the period, the only detractor from the Trust s performance was the cost of derivatives used to manage the Trust s duration (sensitivity to interest rate movements).

**Describe recent portfolio activity.**

The Trust s allocations remained consistent throughout the 12-month period, with its largest position in investment grade and high yield corporate credit, followed by allocations to securitized credits, specifically, ABS and CMBS.

**Describe portfolio positioning at period end.**

At period end, the Trust maintained diversified exposure to non-government spread sectors including investment grade credit, high yield credit, CMBS, ABS and non-agency residential MBS. The Trust also held exposure to government-related sectors including U.S. Treasury securities, agency debt and agency MBS. The Trust ended the period with a long duration profile.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a

forecast of future events and are no guarantee of future results.  
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## BlackRock Income Opportunity Trust, Inc.

## Trust Information

Symbol on NYSE	BNA
Initial Offering Date	December 20, 1991
Current Distribution Rate on Closing Market Price as of August 31, 2014 (\$10.59) <sup>1</sup>	6.74%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0595
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.7140
Economic Leverage as of August 31, 2014 <sup>3</sup>	29%

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

## Market Price and Net Asset Value Per Share Summary

	8/31/14	8/31/13	Change	High	Low
Market Price	\$10.59	\$ 9.64	9.85%	\$10.86	\$ 9.54
Net Asset Value	\$11.91	\$10.96	8.67%	\$11.92	\$10.79

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

Portfolio Composition	8/31/14	8/31/13
Corporate Bonds	55%	58%
Non-Agency Mortgage-Backed Securities	11	11
U.S. Treasury Obligations	9	7
U.S. Government Sponsored Agency Securities	9	10
Preferred Securities	9	6
Asset-Backed Securities	4	5
Municipal Bonds	2	2
Foreign Agency Obligations	1	1

Credit Quality Allocation <sup>4</sup>	8/31/14	8/31/13
AAA/Aaa <sup>5</sup>	26%	24%
AA/Aa	5	4
A	20	21
BBB/Baa	22	24
BB/Ba	15	13
B	8	12

CCC/Caa	1	1
N/R	3	1

For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa<sup>4</sup> or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments.<sup>5</sup> Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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Trust Summary as of August 31, 2014

BlackRock Income Trust, Inc.

## Trust Overview

**BlackRock Income Trust, Inc. s (BKT) (the Trust )** investment objective is to manage a portfolio of high-quality securities to achieve both preservation of capital and high monthly income. The Trust seeks to achieve its investment objective by investing at least 65% of its assets in mortgage-backed securities. The Trust invests at least 80% of its assets in securities that are (i) issued or guaranteed by the US government or one of its agencies or instrumentalities or (ii) rated at the time of investment either AAA by S&P or Aaa by Moody s. The Trust may invest directly in such securities or synthetically through the use of derivatives.

On June 6, 2014, the Boards of the Trust, BlackRock Income Opportunity Trust, Inc. ( BNA ) and BlackRock Core Bond Trust ( BHK ) approved the reorganizations of the Trust and BNA with and into BHK, with BHK continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the reorganization of the Trust with and into BHK was not approved by BKT shareholders. Consequently, the reorganization of BKT with and into BHK will not be completed.

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

## Portfolio Management Commentary

### How did the Trust perform?

For the 12-month period ended August 31, 2014, the Trust returned 7.12% based on market price and 6.05% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 16.32% based on market price and 13.06% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

### What factors influenced performance?

Positive contributions to returns came from the Trust s exposure to securitized assets, specifically, agency collateralized mortgage obligations ( CMOs ) and agency mortgage derivatives (including interest-only and principal-only securities). The Trust continued to benefit from exposure to Alt-A (riskier than prime, but less risky than subprime) and prime non-agency residential mortgage-backed securities ( MBS ), as well as commercial mortgage-backed securities ( CMBS ) as spreads tightened through most of the period.

The Trust uses interest rate derivatives including futures, options, swaps and swaptions, mainly for the purpose of managing duration, convexity (the rate at which duration changes in response to interest rate movements) and yield curve positioning. During the period, the Trust held short positions on U.S. Treasuries in order to manage the duration profile of the portfolio. These positions were beneficial to the Trust s performance during certain periods of rising interest rates. However, for the period as a whole, the Trust s derivatives holdings had a negative impact on returns.

### Describe recent portfolio activity.

During the 12-month period, the Trust increased overall exposure to agency MBS, while reducing exposure to 30-year pass-through MBS in favor of agency CMO securities exhibiting attractive spreads, strong income and low convexity.

### Describe portfolio positioning at period end.

As of period end, the Trust maintained exposure to high quality agency MBS with varying maturities and coupon rates. The Trust continued to favor agency CMOs, while holding low exposure to 15- and 30-year agency pass-through issues. The Trust continued to hold modest allocations in asset-backed securities ( ABS ), non-agency

MBS and CMBS based on improving underlying fundamentals.

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## BlackRock Income Trust, Inc.

## Trust Information

Symbol on NYSE	BKT
Initial Offering Date	July 22, 1988
Current Distribution Rate on Closing Market Price as of August 31, 2014 (\$6.42) <sup>1</sup>	6.54%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.035
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.420
Economic Leverage as of August 31, 2014 <sup>3</sup>	31%

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see the Benefits and Risks of Leveraging on page 12.

## Market Price and Net Asset Value Per Share Summary

	8/31/14	8/31/13	Change	High	Low
Market Price	\$6.42	\$6.40	0.31%	\$6.72	\$6.31
Net Asset Value	\$7.27	\$7.32	(0.68)%	\$7.41	\$7.21

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

Portfolio Composition	8/31/14	8/31/13
U.S. Government Sponsored Agency Securities	97%	96%
Non-Agency Mortgage-Backed Securities	1	2
U.S. Treasury Obligations	1	1
Asset-Backed Securities	1	1

Credit Quality Allocation <sup>4</sup>	8/31/14	8/31/13
AAA/Aaa <sup>5</sup>	98%	100%
AA	1	
NR	1	

For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa<sup>4</sup> or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>5</sup>

The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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## The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trust's shareholders will benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Trust's costs of leverage are significantly lower than the income earned on the Trust's longer-term investments acquired from leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trust's return on assets purchased with leverage proceeds, income to shareholders will be lower than if the Trust had not used leverage. Furthermore, the value of the Trust's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the

value of the Trust's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trust's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Trust's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, the Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Trust to incur losses. The use of leverage may limit the Trust's ability to invest in certain types of securities or use certain types of hedging strategies. The Trust will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Each Trust may utilize leverage through a credit facility or reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Trust is permitted to issue debt up to 33% of their total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

If a Trust segregates or designates on its books and records cash or liquid assets having values not less than the value of the Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction will not be considered a senior security and will not be subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate, foreign currency exchange rate and/or other risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The

Trusts' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders and/or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments August 31, 2014

**Asset-Backed Securities Par  
(000) Value**

**Asset-Backed Securities 6.4%**

AmeriCredit Automobile Receivables Trust, Series 2011-5, Class C, 3.44%, 10/08/17

USD

400 \$ 409,335

Apidos CDO XI, Series 2012-11A, Class D, 4.48%, 1/17/23 (a)(b)

600 599,980

Atrium CDO Corp., Series 9A, Class D, 3.74%, 2/28/24 (a)(b)

750 716,947

Babson CLO Ltd., Series 2012-1X, Class B, 2.73%, 4/15/22 (b)

500 490,101

Benefit Street Partners CLO III, Ltd., Series 2013-IIIA, Class C, 3.48%, 1/20/26 (a)(b)

1,000 923,836

Brookside Mill CLO, Ltd., Series 2013-1A, Class C1, 2.93%, 4/17/25 (a)(b)

500 487,352

CarMax Auto Owner Trust, Series 2012-1:

Class B, 1.76%, 8/15/17

210 213,025

Class C, 2.20%, 10/16/17

125 127,555

Class D, 3.09%, 8/15/18

155 158,080

CenterPoint Energy Transition Bond Co. LLC, Series 2012-1, Class A3, 3.03%, 10/15/25

1,105 1,119,618

CIFC Funding 2014-IV, Ltd., Series 2014-4A, Class D, 3.64%, 10/17/26 (a)(b)(c)

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2,000 1,852,000  
CIFC Funding Ltd. (a)(b):

Series 2012-1AR, Class B1R, 4.39%, 8/14/24

750 743,850  
Series 2013-IA, Class B, 3.04%, 4/16/25

500 489,156  
Series 2013-IA, Class C, 3.83%, 4/16/25

500 477,036  
Countrywide Asset-Backed Certificates, Series 2006-13, Class 3AV2, 0.31%, 1/25/37 (b)

860 809,636  
Dryden 34 Senior Loan Fund, Series 2014-34A, Class C, 3.03%, 10/15/26 (a)(b)

2,000 1,960,000  
Ford Credit Floorplan Master Owner Trust, Series 2012-2:

Class B, 2.32%, 1/15/19

245 249,967  
Class C, 2.86%, 1/15/19

105 108,453  
Class D, 3.50%, 1/15/19

200 209,071  
Galaxy CLO Ltd., Series 2014-18A, Class C1, 3.23%, 10/15/26 (a)(b)

1,625 1,592,500  
Galaxy XV CLO Ltd., Series 2013-15A, Class C, 2.83%, 4/15/25 (a)(b)

500 485,323  
ING IM CLO Ltd., Series 2012-2A, Class C, 3.68%, 10/15/22 (a)(b)

750 750,197  
Nelnet Student Loan Trust (b):

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Series 2006-1, Class A5, 0.34%, 8/23/27

525 517,032

Series 2008-3, Class A4, 1.88%, 11/25/24

615 645,157

Octagon Investment Partners XX Ltd., Series 2014-1A (a)(b):

Class C, 3.04%, 8/12/26

1,000 981,100

Class D, 3.89%, 8/12/26

1,000 959,900

OZLM Funding III, Ltd., Series 2013-3A, Class B, 3.33%, 1/22/25 (a)(b)

750 745,725

OZLM VII Ltd., Series 2014-7A, Class C, 3.86%, 7/17/26 (a)(b)

470 442,002

Santander Drive Auto Receivables Trust:

Series 2010-2, Class C, 3.89%, 7/17/17

602 604,433

Series 2010-B, Class C, 3.02%, 10/17/16 (a)

40 39,879

Series 2011-1, Class D, 4.01%, 2/15/17

940 964,887

Series 2012-1, Class B, 2.72%, 5/16/16

96 95,898

Series 2012-1, Class C, 3.78%, 11/15/17

325 332,363

**Asset-Backed Securities Par  
(000) Value**

**Asset-Backed Securities (concluded)**

SLM Private Credit Student Loan Trust, Series 2004-B, Class A2, 0.43%, 6/15/21 (b)

USD

109 \$ 108,189

SLM Private Education Loan Trust, Series 2012-A, Class A1, 1.56%, 8/15/25 (a)(b)

190 192,298

SLM Student Loan Trust:

Series 2008-5, Class A3, 1.53%, 1/25/18 (b)

416 418,953

Series 2008-5, Class A4, 1.93%, 7/25/23 (b)

615 642,133

Series 2012-A, Class A2, 3.83%, 1/17/45 (a)

345 361,818

Series 2014-A, Class B, 3.50%, 11/15/44 (a)

250 244,638

Structured Asset Securities Corp., Series 2002-AL1, Class A2, 3.45%, 2/25/32

1,019 1,014,172

Symphony CLO VII, Ltd., Series 2011-7A, Class E, 3.84%, 7/28/21 (a)(b)

750 723,920

World Financial Network Credit Card Master Trust, Series 2012-C, Class C, 4.55%, 8/15/22

1,180 1,231,459

26,238,974

**Interest Only Asset-Backed Securities 0.1%**

Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (a)

2,435 176,505

Sterling Coofs Trust, Series 2004-1, Class A, 2.36%, 4/15/29 (a)

4,974 341,984

518,489

**Total Asset-Backed Securities 6.5%**

26,757,463

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**Corporate Bonds**

**Aerospace & Defense 0.6%**

Huntington Ingalls Industries, Inc., 7.13%, 3/15/21

230 250,125

United Technologies Corp. (d):

4.88%, 5/01/15

1,125 1,158,807

6.13%, 7/15/38

700 911,721

2,320,653

**Airlines 2.0%**

American Airlines Pass-Through Trust, Series 2013-2:

Class A, 4.95%, 7/15/24

2,223 2,395,331

Class B, 5.60%, 1/15/22

488 506,206

Continental Airlines Pass-Through Trust:

Series 2010-1, Class B, 6.00%, 7/12/20

421 448,375

Series 2012-3, Class C, 6.13%, 4/29/18

500 530,000  
United Airlines Pass-Through Trust:

Series 2013-1, Class A, 4.30%, 2/15/27

2,000 2,050,000  
Series 2014-2, Class B, 4.63%, 3/03/24

1,375 1,375,000  
US Airways Pass-Through Trust, Series 2012-1, Class C, 9.13%, 10/01/15

1,084 1,143,747

8,448,659  
**Auto Components 0.8%**  
Icahn Enterprises LP/Icahn Enterprises Finance Corp.:

3.50%, 3/15/17

91 91,569  
4.88%, 3/15/19

1,330 1,366,575  
6.00%, 8/01/20

953 1,017,327  
5.88%, 2/01/22

911 949,718

3,425,189

#### Portfolio Abbreviations

<b>ABS</b>	Asset-Backed Security	<b>CMO</b>	Collateralized Mortgage Obligation	<b>OTC</b>	Over-the-Counter
<b>ADR</b>	American Depositary Receipts	<b>DIP</b>	Debtor-In-Possession	<b>PIK</b>	Payment-In-Kind
<b>ADS</b>	American Depositary Shares	<b>EUR</b>	Euro	<b>Radian</b>	Radian Guaranty, Inc.

<b>ARC</b>	Auction Rate Certificates	<b>GBP</b>	British Pound	<b>RB</b>	Revenue Bonds
<b>AUD</b>	Australian Dollar	<b>GO</b>	General Obligation Bonds	<b>S&amp;P</b>	Standard and Poor's
<b>CAD</b>	Canadian Dollar	<b>LIBOR</b>	London Interbank Offered Rate	<b>USD</b>	U.S. Dollar
<b>CLO</b>	Collateralized Loan Obligation	<b>OIS</b>	Overnight Indexed Swap		

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments (continued)

**Corporate Bonds Par  
 (000) Value**

**Automobiles 1.1%**

Ford Motor Co., 4.75%, 1/15/43

USD

2,250 \$2,355,037

General Motors Co., 6.25%, 10/02/43

1,253 1,469,142

Jaguar Land Rover Automotive PLC, 4.13%, 12/15/18 (a)

750 761,250

4,585,429

**Banks 4.1%**

Barclays Bank PLC, 7.63%, 11/21/22

1,750 1,965,469

CIT Group, Inc.:

5.50%, 2/15/19 (a)

398 429,343

5.38%, 5/15/20

1,650 1,786,125

Depfa ACS Bank, 5.13%, 3/16/37 (a)

3,775 4,515,768

HSBC Bank Brasil SA Banco Multiplo, 4.00%, 5/11/16 (a)

1,400 1,442,000

HSBC Bank PLC, 3.10%, 5/24/16 (a)

700 728,813



HSBC Holdings PLC:

4.25%, 3/14/24

1,010 1,048,506

6.10%, 1/14/42

305 396,442

Rabobank Nederland:

3.88%, 2/08/22

1,390 1,487,167

3.95%, 11/09/22

1,500 1,542,769

Wells Fargo & Co., 3.50%, 3/08/22 (d)

1,390 1,447,846

16,790,248

**Building Products 0.1%**

Cemex SAB de CV, 5.88%, 3/25/19 (a)

200 209,500

**Capital Markets 3.6%**

CDP Financial, Inc., 5.60%, 11/25/39 (a)(d)

2,935 3,782,613

The Goldman Sachs Group, Inc. (d):

5.38%, 3/15/20

1,220 1,378,362

5.25%, 7/27/21

3,165 3,566,778

5.75%, 1/24/22

1,800 2,088,945  
Morgan Stanley:

4.20%, 11/20/14

490 493,953  
4.00%, 7/24/15

410 422,780  
6.25%, 8/28/17 (d)

1,930 2,184,916  
Murray Street Investment Trust I, 4.65%, 3/09/17 (e)

825 887,461

14,805,808  
**Chemicals 1.3%**

Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holding BV, 7.38%, 5/01/21 (a)

151 164,590  
Axiall Corp., 4.88%, 5/15/23

152 152,190  
The Dow Chemical Co., 4.13%, 11/15/21

350 374,869  
Huntsman International LLC, 4.88%, 11/15/20

298 303,960  
Methanex Corp., 3.25%, 12/15/19

2,074 2,127,341  
PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20

161 177,503  
Rockwood Specialties Group, Inc., 4.63%, 10/15/20

1,800 1,872,000

5,172,453

**Commercial Services & Supplies 1.0%**

ADS Waste Holdings, Inc., 8.25%, 10/01/20

246 261,990

The ADT Corp., 4.88%, 7/15/42

539 458,150

Aviation Capital Group Corp. (a):

4.63%, 1/31/18

650 680,991

7.13%, 10/15/20

900 1,027,407

Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (a)

217 225,680

Mobile Mini, Inc., 7.88%, 12/01/20

320 345,600

United Rentals North America, Inc.:

5.75%, 7/15/18

194 204,185

7.38%, 5/15/20

385 419,650

7.63%, 4/15/22

452 507,370

4,131,023

**Corporate Bonds Par  
(000) Value**

**Communications Equipment 1.2%**

ADC Telecommunications, Inc., 3.50%, 7/15/15 (f)

USD

4,330 \$ 4,373,300

Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20

530 571,737

4,945,037

**Construction & Engineering 0.1%**

ABB Finance USA, Inc., 4.38%, 5/08/42

192 201,970

BlueLine Rental Finance Corp., 7.00%, 2/01/19 (a)

96 101,520

Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (a)

200 210,500

513,990

**Construction Materials 1.0%**

Allegion US Holding Co., Inc., 5.75%, 10/01/21

446 467,185

HD Supply, Inc.:

8.13%, 4/15/19

1,815 1,978,350

7.50%, 7/15/20

1,544 1,659,800

Lafarge SA, 7.13%, 7/15/36

135 154,575

4,259,910

**Consumer Finance 0.8%**

Discover Financial Services, 3.85%, 11/21/22

250 256,017

Ford Motor Credit Co. LLC:

8.13%, 1/15/20

1,265 1,605,981

4.25%, 9/20/22

800 854,769

SLM Corp., 6.25%, 1/25/16

661 700,660

3,417,427

**Containers & Packaging 0.3%**

Crown Americas LLC/Crown Americas Capital  
Corp. III, 6.25%, 2/01/21

91 97,143

Sealed Air Corp. (a):

6.50%, 12/01/20

550 605,000

8.38%, 9/15/21

225 253,125

Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (a)

410 425,375

1,380,643

**Diversified Consumer Services 0.1%**

APX Group, Inc., 6.38%, 12/01/19

266 269,990

**Diversified Financial Services 8.2%**

Aircastle Ltd., 6.25%, 12/01/19

708 766,410

Ally Financial, Inc.:

5.50%, 2/15/17

1,500 1,601,250

6.25%, 12/01/17

160 176,200

8.00%, 3/15/20

560 680,400

8.00%, 11/01/31

300 388,125

Bank of America Corp. (d):

5.63%, 7/01/20

1,100 1,260,607

3.30%, 1/11/23

4,990 4,948,513

Capital One Financial Corp., 4.75%, 7/15/21

960 1,065,695

FMR LLC, 4.95%, 2/01/33 (a)

1,150 1,278,895

General Electric Capital Corp.:

6.15%, 8/07/37 (d)

2,150 2,737,885  
6.88%, 1/10/39

135 186,937  
General Motors Financial Co., Inc., 4.25%, 5/15/23

401 409,521  
IntercontinentalExchange Group, Inc., 4.00%, 10/15/23

235 250,047  
Intesa Sanpaolo SpA, 5.02%, 6/26/24 (a)

1,145 1,155,713  
Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (a)

1,250 1,306,250  
JPMorgan Chase & Co. (d):  
3.70%, 1/20/15

3,425 3,467,785  
6.30%, 4/23/19

2,000 2,347,590  
JPMorgan Chase Bank NA, 6.00%, 10/01/17

800 904,972  
Macquarie Bank Ltd., 10.25%, 6/20/57 (b)

900 1,026,000  
Moody's Corp., 4.50%, 9/01/22

900 958,425  
Northern Trust Corp., 3.95%, 10/30/25

4,000 4,185,768

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments (continued)

**Corporate Bonds Par  
 (000) Value**

**Diversified Financial Services (concluded)**

Reynolds Group Issuer, Inc.:

7.13%, 4/15/19

USD

200 \$ 207,750

7.88%, 8/15/19

560 606,200

5.75%, 10/15/20

1,000 1,045,000

6.88%, 2/15/21

680 728,450

33,690,388

**Diversified Telecommunication Services 3.1%**

CenturyLink, Inc., Series V, 5.63%, 4/01/20

400 423,000

Level 3 Financing, Inc.:

8.13%, 7/01/19

698 755,585

8.63%, 7/15/20

650 719,875

Telecom Italia Capital SA, 6.00%, 9/30/34

1,550 1,550,000

Verizon Communications, Inc. (d):

3.50%, 11/01/21

500 518,931  
6.40%, 2/15/38

3,483 4,354,474  
6.55%, 9/15/43

3,376 4,348,224  
Windstream Corp.:

7.75%, 10/15/20

100 107,750  
6.38%, 8/01/23

20 20,050

12,797,889  
**Electric Utilities 4.6%**  
The Cleveland Electric Illuminating Co.:

8.88%, 11/15/18

121 152,411  
5.95%, 12/15/36

217 256,681  
CMS Energy Corp., 5.05%, 3/15/22

915 1,038,289  
ComEd Financing III, 6.35%, 3/15/33

150 153,375  
Duke Energy Carolinas LLC:

6.10%, 6/01/37

315 399,506  
6.00%, 1/15/38 (d)

825 1,069,758  
4.25%, 12/15/41 (d)

375 388,681  
Duke Energy Florida, Inc., 6.40%, 6/15/38

430 586,855  
E.ON International Finance BV, 6.65%, 4/30/38 (a)(d)

1,525 1,978,501  
Electricite de France SA, 5.60%, 1/27/40 (a)(d)

1,400 1,644,663  
Florida Power Corp., 6.35%, 9/15/37 (d)

1,325 1,801,015  
Jersey Central Power & Light Co., 7.35%, 2/01/19

245 294,263  
Ohio Power Co., Series D, 6.60%, 3/01/33

1,500 1,975,527  
PacifiCorp, 6.25%, 10/15/37

575 765,630  
Public Service Co. of Colorado, Series 17, 6.25%, 9/01/37 (d)

1,200 1,618,200  
Southern California Edison Co.:  
5.63%, 2/01/36

625 780,361  
Series A, 5.95%, 2/01/38 (d)

1,075 1,382,361  
Virginia Electric and Power Co., Series A, 6.00%, 5/15/37 (d)

2,000 2,575,904

18,861,981

**Energy Equipment & Services 2.4%**

Calfrac Holdings LP, 7.50%, 12/01/20 (a)

470 499,375

EnSCO PLC:

3.25%, 3/15/16

160 165,675

4.70%, 3/15/21 (d)

1,745 1,899,766

EOG Resources, Inc., 2.63%, 3/15/23 (d)

1,902 1,850,779

Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21

71 73,307

GrafTech International Ltd., 6.38%, 11/15/20

580 600,300

Noble Holding International Ltd., 5.25%, 3/15/42

350 369,052

Peabody Energy Corp.:

6.00%, 11/15/18

1,251 1,288,530

6.25%, 11/15/21

1,239 1,234,354

Seadrill Ltd., 6.13%, 9/15/17 (a)

1,590 1,641,675

Transocean, Inc., 6.50%, 11/15/20

350 395,876

10,018,689

**Food & Staples Retailing 0.1%**

Rite Aid Corp., 6.75%, 6/15/21

279 296,089

**Corporate Bonds Par  
(000) Value**

**Food Products 0.5%**

Barry Callebaut Services NV, 5.50%, 6/15/23 (a)

USD

593 \$ 626,000

Kraft Foods Group, Inc., 5.00%, 6/04/42

997 1,084,150

Smithfield Foods, Inc., 5.88%, 8/01/21 (a)

169 180,830

1,890,980

**Health Care Equipment & Supplies 0.4%**

Boston Scientific Corp., 6.25%, 11/15/15

1,251 1,330,170

Teleflex, Inc., 6.88%, 6/01/19

385 407,137

1,737,307

**Health Care Providers & Services 4.1%**

Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19

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175 185,063  
CHS/Community Health Systems, Inc., 5.13%, 8/15/18

400 416,000  
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)

EUR  
494 681,925  
HCA Holdings, Inc., 7.75%, 5/15/21

USD  
140 152,600  
HCA, Inc.:

3.75%, 3/15/19

130 130,975  
6.50%, 2/15/20

2,198 2,459,012  
4.75%, 5/01/23

1,161 1,171,159  
Symbion, Inc., 8.00%, 6/15/16

455 473,769  
Tenet Healthcare Corp.:

6.25%, 11/01/18

859 936,310  
6.00%, 10/01/20

622 674,870  
4.50%, 4/01/21

383 383,958  
4.38%, 10/01/21

1,765 1,751,762  
8.13%, 4/01/22

1,157 1,331,996  
UnitedHealth Group, Inc., 2.88%, 3/15/22 (d)

2,000 2,007,922  
WellPoint, Inc., 4.65%, 1/15/43 (d)

4,005 4,127,853

16,885,174  
**Hotels, Restaurants & Leisure 2.6%**  
MCE Finance Ltd., 5.00%, 2/15/21 (a)

935 930,325  
Six Flags Entertainment Corp., 5.25%, 1/15/21 (a)

865 875,812  
The Unique Pub Finance Co. PLC:

Series A3, 6.54%, 3/30/21

GBP  
1,748 3,054,295  
Series A4, 5.66%, 6/30/27

623 1,041,957  
Series M, 7.40%, 3/28/24

1,500 2,543,706  
Series N, 6.46%, 3/30/32

1,195 1,867,672  
Wynn Macau Ltd., 5.25%, 10/15/21 (a)

USD  
416 423,280

10,737,047  
**Household Durables 1.0%**  
Beazer Homes USA, Inc.:

6.63%, 4/15/18

580 613,350  
7.50%, 9/15/21

166 174,300  
Standard Pacific Corp., 10.75%, 9/15/16

2,100 2,446,500  
Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (a)

372 375,720  
Weyerhaeuser Real Estate Co. (a):

4.38%, 6/15/19

215 215,000  
5.88%, 6/15/24

145 147,900

3,972,770  
**Household Products 0.1%**  
Spectrum Brands, Inc.:

6.38%, 11/15/20

200 215,000  
6.63%, 11/15/22

275 297,688

512,688  
**Independent Power and Renewable Electricity Producers 0.4%**  
Calpine Corp. (a):

6.00%, 1/15/22



137 147,617  
5.88%, 1/15/24

194 207,580  
NRG REMA LLC, Series C, 9.68%, 7/02/26

1,037 1,130,330

1,485,527  
**Industrial Conglomerates 0.0%**  
Smiths Group PLC, 3.63%, 10/12/22 (a)

180 179,997

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**Corporate Bonds Par  
(000) Value**

**Insurance 3.8%**

A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (a)

USD

613 \$ 652,845

American International Group, Inc., 5.45%, 5/18/17 (d)

800 886,638

AXA SA, 5.25%, 4/16/40 (b)

EUR

250 371,716

Five Corners Funding Trust, 4.42%, 11/15/23 (a)

USD

1,025 1,093,923

Hartford Financial Services Group, Inc.:

6.00%, 1/15/19

345 396,877

5.13%, 4/15/22

930 1,062,591

Liberty Mutual Group, Inc., 6.50%, 5/01/42 (a)

1,000 1,241,191

Lincoln National Corp., 6.25%, 2/15/20

630 742,463

Manulife Financial Corp., 3.40%, 9/17/15 (d)

1,630 1,677,860

MetLife, Inc., 6.40%, 12/15/36

3,500 3,946,250

Montpelier Re Holdings Ltd., 4.70%, 10/15/22

450 471,476  
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)

340 362,950  
Muenchener Rueckversicherungs AG, 6.00%, 5/26/41 (b)

EUR  
200 318,679  
Prudential Financial, Inc. (d):

7.38%, 6/15/19

USD  
250 307,456  
5.38%, 6/21/20

250 286,330  
4.50%, 11/15/20

450 493,949  
5.90%, 3/17/36

500 606,992  
5.70%, 12/14/36

675 807,066

15,727,252  
**Internet Software & Services 0.1%**  
Equinix, Inc., 4.88%, 4/01/20

86 87,720  
VeriSign, Inc., 4.63%, 5/01/23

345 338,963

426,683  
**IT Services 0.6%**

Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (a)

440 502,700  
First Data Corp. (a):

7.38%, 6/15/19

775 827,312  
6.75%, 11/01/20

1,192 1,290,340

2,620,352  
**Life Sciences Tools & Services 0.1%**  
Agilent Technologies, Inc., 3.20%, 10/01/22

250 245,713  
**Marine 0.3%**

Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)

1,050 1,181,250  
**Media 5.6%**

AMC Networks, Inc.:

7.75%, 7/15/21

320 353,200  
4.75%, 12/15/22

343 347,287  
Cinemark USA, Inc., 5.13%, 12/15/22

175 177,844  
Clear Channel Communications, Inc., 9.00%, 12/15/19

305 315,675  
Clear Channel Worldwide Holdings, Inc., Series B, 6.50%, 11/15/22

2,495 2,666,280  
Comcast Cable Communications Holdings, Inc., 9.46%, 11/15/22 (d)

600 872,743  
Comcast Corp., 6.45%, 3/15/37 (d)

790 1,035,153  
Cox Communications, Inc., 8.38%, 3/01/39 (a)

1,740 2,529,285  
DIRECTV Holdings LLC/DIRECTV Financing Co., Inc.:  
6.38%, 3/01/41

260 322,932  
5.15%, 3/15/42

700 753,675  
Gray Television, Inc., 7.50%, 10/01/20

332 350,260  
Inmarsat Finance PLC, 4.88%, 5/15/22 (a)

500 501,250  
The Interpublic Group of Cos., Inc., 3.75%, 2/15/23

2,000 2,013,692  
Live Nation Entertainment, Inc., 7.00%, 9/01/20 (a)

109 117,448  
NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (a)

292 300,030  
NBCUniversal Media LLC (d):  
5.15%, 4/30/20

1,983 2,269,926  
4.38%, 4/01/21

1,015 1,121,618  
News America, Inc., 7.63%, 11/30/28

385 502,572

**Corporate Bonds Par  
(000) Value  
Media (concluded)**

Omnicom Group, Inc., 3.63%, 5/01/22 (d)

USD  
2,355 \$ 2,421,649  
Sirius XM Holdings, Inc., 4.25%, 5/15/20 (a)

559 547,820  
TCI Communications, Inc., 7.88%, 2/15/26

610 851,142  
Time Warner, Inc.:

4.70%, 1/15/21

350 386,687  
6.10%, 7/15/40

215 258,742  
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (a)

255 260,738  
Univision Communications, Inc., 5.13%, 5/15/23 (a)

1,153 1,207,767  
Virgin Media Secured Finance PLC, 5.38%, 4/15/21 (a)

395 410,800

22,896,215

**Metals & Mining 3.7%**

Alcoa, Inc., 5.40%, 4/15/21

1,450 1,580,965  
ArcelorMittal:

4.25%, 8/05/15

173 176,676  
6.13%, 6/01/18

384 418,080  
Commercial Metals Co., 4.88%, 5/15/23

534 523,320  
Corp. Nacional del Cobre de Chile, 3.00%, 7/17/22 (a)

1,565 1,538,340  
Freeport-McMoRan Copper & Gold, Inc.:

3.55%, 3/01/22

540 542,938  
5.45%, 3/15/43

450 486,195  
New Gold, Inc., 6.25%, 11/15/22 (a)

440 462,000  
Newcrest Finance Property Ltd., 4.45%, 11/15/21 (a)

475 473,097  
Novelis, Inc., 8.75%, 12/15/20

4,120 4,557,750  
Teck Resources, Ltd., 5.38%, 10/01/15

2,359 2,469,288  
Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (a)

602 650,160  
Xstrata Canada Corp., 6.20%, 6/15/35

1,250 1,402,748

15,281,557  
**Multiline Retail 0.3%**

Dufry Finance SCA, 5.50%, 10/15/20 (a)

1,260 1,310,463  
**Oil, Gas & Consumable Fuels 10.8%**  
Access Midstream Partners LP/ACMP Finance Corp., 6.13%, 7/15/22

400 435,000  
Anadarko Petroleum Corp., 5.95%, 9/15/16

1,916 2,103,666  
Antero Resources Finance Corp., 5.38%, 11/01/21

153 157,590  
Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21

159 172,515  
Bonanza Creek Energy, Inc., 6.75%, 4/15/21

99 103,950  
Burlington Resources Finance Co., 7.40%, 12/01/31

875 1,267,708  
Carrizo Oil & Gas, Inc., 7.50%, 9/15/20

400 428,000  
Cenovus Energy, Inc., 6.75%, 11/15/39

750 996,115  
Chesapeake Energy Corp., 5.75%, 3/15/23



615 686,494  
ConocoPhillips Canada Funding Co., 5.95%, 10/15/36 (d)

535 681,807  
Continental Resources, Inc.:

5.00%, 9/15/22

1,600 1,726,000  
4.50%, 4/15/23

113 122,027  
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., 6.13%, 3/01/22

110 113,850  
Denbury Resources, Inc., 4.63%, 7/15/23

623 601,195  
El Paso LLC, 7.80%, 8/01/31

45 55,800  
El Paso Natural Gas Co., 8.38%, 6/15/32

275 376,336  
Energy Transfer Partners LP, 7.50%, 7/01/38

500 655,341  
Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17

455 482,300  
Enterprise Products Operating LLC, 6.13%, 10/15/39

700 872,348  
KeySpan Gas East Corp., 5.82%, 4/01/41 (a)

505 643,612  
Kinder Morgan Energy Partners LP:

6.50%, 9/01/39 (d)

3,000 3,514,896  
6.55%, 9/15/40

110 129,327  
6.38%, 3/01/41

150 175,240

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments (continued)

**Corporate Bonds Par  
 (000) Value**

**Oil, Gas & Consumable Fuels (concluded)**

Kinder Morgan, Inc., 5.63%, 11/15/23 (a)

USD

170 \$ 187,425

Kodiak Oil & Gas Corp., 5.50%, 2/01/22

106 111,830

Linn Energy LLC/Linn Energy Finance Corp., 6.25%, 11/01/19

237 244,703

Marathon Petroleum Corp., 6.50%, 3/01/41

997 1,254,328

MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:

6.25%, 6/15/22

73 78,475

4.50%, 7/15/23

25 25,406

Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21

212 219,950

MidAmerican Energy Co., 5.80%, 10/15/36

700 896,927

MidAmerican Energy Holdings Co. (d):

5.95%, 5/15/37

800 992,971

6.50%, 9/15/37

3,400 4,485,691

Nexen, Inc., 7.50%, 7/30/39

1,000 1,412,478  
Pacific Drilling SA, 5.38%, 6/01/20 (a)

368 358,800  
PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20

47 50,643  
PDC Energy, Inc., 7.75%, 10/15/22

260 284,700  
Pemex Project Funding Master Trust, 6.63%, 6/15/35

1,995 2,458,837  
Petrobras International Finance Co.:  
3.88%, 1/27/16

1,340 1,377,515  
5.75%, 1/20/20

1,725 1,859,464  
Pioneer Natural Resources Co., 3.95%, 7/15/22

350 366,893  
Premier Oil PLC, 5.00%, 6/09/18

1,900 1,995,000  
Range Resources Corp.:  
5.75%, 6/01/21

107 114,223  
5.00%, 8/15/22

26 27,658  
5.00%, 3/15/23

62 65,875

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Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23

249 250,867

RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (a)

118 126,850

Rosetta Resources, Inc., 5.63%, 5/01/21

357 365,479

Sabine Pass Liquefaction LLC:

5.63%, 2/01/21

1,787 1,885,285

6.25%, 3/15/22 (a)

398 431,830

5.63%, 4/15/23

468 486,720

SandRidge Energy, Inc.:

8.75%, 1/15/20

30 31,500

7.50%, 2/15/23

382 397,280

Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21

386 424,600

Ultra Petroleum Corp., 5.75%, 12/15/18 (a)

357 368,602

Western Gas Partners LP, 5.38%, 6/01/21

710 807,078

Whiting Petroleum Corp., 5.00%, 3/15/19

821 866,155  
The Williams Cos., Inc., Series A, 7.50%, 1/15/31

2,500 2,977,077

44,790,232  
**Paper & Forest Products 0.3%**  
International Paper Co.:

7.50%, 8/15/21

75 95,630  
4.75%, 2/15/22

420 464,268  
6.00%, 11/15/41

435 522,873  
NewPage Corp., 11.38%, 12/31/14 (h)(i)

397

1,082,771  
**Pharmaceuticals 1.0%**  
Forest Laboratories, Inc. (a):

4.38%, 2/01/19

228 245,604  
5.00%, 12/15/21

379 417,936  
Grifols Worldwide Operations Ltd., 5.25%, 4/01/22 (a)

200 205,500  
Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (a)

520 565,500

Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (a)

162 175,770

**Corporate Bonds Par**

**(000) Value**

**Pharmaceuticals (concluded)**

Valeant Pharmaceuticals International, Inc. (a):

6.75%, 8/15/18

USD

1,321 \$ 1,413,470

6.38%, 10/15/20

575 601,594

5.63%, 12/01/21

376 382,110

4,007,484

**Real Estate Investment Trusts (REITs) 1.1%**

ARC Properties Operating Partnership LP/Clark Acquisition LLC, 4.60%, 2/06/24 (a)

1,830 1,883,989

Felcor Lodging LP, 5.63%, 3/01/23

247 250,087

Simon Property Group LP, 4.75%, 3/15/42

835 915,342

Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21

275 303,112

Vornado Realty LP, 5.00%, 1/15/22

1,185 1,304,737

4,657,267

**Real Estate Management & Development 0.9%**

Lennar Corp., 4.75%, 11/15/22

440 433,400

Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (a)

2,300 2,409,020

Realogy Corp., 7.63%, 1/15/20 (a)(d)

996 1,085,640

3,928,060

**Road & Rail 0.7%**

Burlington Northern Santa Fe LLC, 5.75%, 5/01/40

950 1,153,820

The Hertz Corp.:

4.25%, 4/01/18

236 237,180

5.88%, 10/15/20

230 236,613

7.38%, 1/15/21

620 663,400

6.25%, 10/15/22

385 401,362

2,692,375

**Semiconductors & Semiconductor Equipment 0.1%**

NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (a)

470 493,500



**Software 0.5%**

Nuance Communications, Inc., 5.38%, 8/15/20 (a)

1,085 1,090,425  
Oracle Corp., 5.38%, 7/15/40

775 909,880

2,000,305  
**Specialty Retail 0.6%**

The Home Depot, Inc., 5.88%, 12/16/36 (d)

830 1,052,592  
QVC, Inc. (a):

7.50%, 10/01/19

395 412,325  
7.38%, 10/15/20

975 1,042,187

2,507,104  
**Textiles, Apparel & Luxury Goods 0.3%**  
PVH Corp., 4.50%, 12/15/22

490 486,325  
Springs Industries, Inc., 6.25%, 6/01/21

402 404,010  
The William Carter Co., 5.25%, 8/15/21

328 342,760

1,233,095

**Tobacco 1.2%**

Altria Group, Inc.:

9.95%, 11/10/38

258 438,257  
10.20%, 2/06/39

447 773,806  
5.38%, 1/31/44

2,015 2,238,032  
Lorillard Tobacco Co., 7.00%, 8/04/41

500 631,462  
Reynolds American, Inc., 4.75%, 11/01/42

1,050 1,024,752

5,106,309

**Wireless Telecommunication Services 2.2%**  
America Movil SAB de CV, 2.38%, 9/08/16

795 814,318  
Crown Castle International Corp., 5.25%, 1/15/23

465 480,257  
Crown Castle Towers LLC, 6.11%, 1/15/40 (a)

1,560 1,824,400  
Digicel Group Ltd., 8.25%, 9/30/20 (a)

460 496,800  
Digicel Ltd., 6.00%, 4/15/21 (a)

750 772,500  
Rogers Communications, Inc., 7.50%, 8/15/38 (d)

1,150 1,583,338  
SBA Tower Trust, 5.10%, 4/15/42 (a)

360 382,507

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments (continued)

**Corporate Bonds Par  
 (000) Value**

**Wireless Telecommunication Services (concluded)**

Sprint Communications, Inc. (a):

9.00%, 11/15/18

USD

530 \$ 630,038

7.00%, 3/01/20

888 990,120

Sprint Corp., 7.88%, 9/15/23 (a)

1,041 1,116,472

9,090,750

**Total Corporate Bonds 79.8%**

329,021,222

**Foreign Agency Obligations**

Brazilian Government International Bond, 5.00%, 1/27/45

2,862 2,933,550

Cyprus Government International Bond, 4.63%, 2/03/20

EUR

605 790,965

Iceland Government International Bond, 5.88%, 5/11/22

USD

1,775 2,019,959

Italian Republic, 5.38%, 6/15/33

455 553,009

Portugal Government International Bond, 5.13%, 10/15/24 (a)

625 646,625

Slovenia Government International Bond, 5.85%, 5/10/23 (a)

432 488,592

**Total Foreign Agency Obligations 1.8%**

7,432,700

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**Municipal Bonds**

City of Detroit Michigan, GO, Taxable Capital Improvement, Limited Tax, Series A-2, 8.00%, 4/01/15 (h)(i)

1,525 427,153

City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution:

Series EE, 5.50%, 6/15/43

465 549,756

Series GG, Build America Bonds, 5.72%, 6/15/42

700 904,106

Water & Sewer System, Fiscal 2011, Series EE, 5.38%, 6/15/43

385 450,900

East Bay Municipal Utility District, RB, Build America Bonds, 5.87%, 6/01/40

950 1,225,795

Indianapolis Local Public Improvement Bond Bank, RB, Build America Bonds, 6.12%, 1/15/40

1,275 1,665,953

Metropolitan Transportation Authority, RB, Build America Bonds, Series C, 7.34%, 11/15/39

625 952,231

Municipal Electric Authority of Georgia Plant Vogtle Units 3 & 4, Refunding RB, Build America Bonds, Series A, 7.06%, 4/01/57

1,000 1,156,240

New York State Dormitory Authority, RB, Build America Bonds:

5.63%, 3/15/39

550 674,960

5.60%, 3/15/40

950 1,181,971  
Port Authority of New York & New Jersey, RB, Consolidated, 159th Series, 6.04%, 12/01/29

385 486,694  
State of California, GO, Build America Bonds, Various Purpose:

7.55%, 4/01/39

140 211,474  
7.63%, 3/01/40

860 1,299,451  
State of Illinois, GO, Pension, 5.10%, 6/01/33

1,000 991,670  
University of California, RB, Build America Bonds, 5.95%, 5/15/45

445 565,453  
**Total Municipal Bonds 3.1%**  
12,743,807

**Non-Agency Mortgage-Backed Securities Par**  
**(000) Value**

**Collateralized Mortgage Obligations 1.3%**  
Banc of America Funding Corp., Series 2007-2, Class 1A2, 6.00%, 3/25/37

USD  
660 \$ 556,822  
Countrywide Alternative Loan Trust:

Series 2005-64CB, Class 1A15, 5.50%, 12/25/35

1,037 982,209  
Series 2006-OA21, Class A1, 0.35%, 3/20/47 (b)

675 546,760  
Countrywide Home Loan Mortgage Pass-Through Trust, Series 2006-OA5, Class 2A1, 0.36%, 4/25/46 (b)

281 234,968  
Credit Suisse Mortgage Capital Certificates, Series 2011-2R, Class 2A1, 2.61%, 7/27/36 (a)(b)

947 959,815  
GMAC Mortgage Corp. Loan Trust, Series 2005-AR3, Class 5A1, 5.06%, 6/19/35 (b)

553 557,069

GSR Mortgage Loan Trust:

Series 2006-4F, Class 1A1, 5.00%, 5/25/36

269 261,634

Series 2007-4F, Class 3A1, 6.00%, 7/25/37

442 402,073

Homebanc Mortgage Trust, Series 2006-2, Class A1, 0.34%, 12/25/36 (b)

455 400,434

JP Morgan Mortgage Trust, Series 2006-S3, Class 1A12, 6.50%, 8/25/36

161 143,803

Merrill Lynch Mortgage Investors, Inc., Series 2006-A3, Class 3A1, 2.71%, 5/25/36 (b)

535 439,681

5,485,268

**Commercial Mortgage-Backed Securities 12.5%**

Banc of America Merrill Lynch Commercial Mortgage Trust, Class A4:

Series 2007-1, 5.45%, 1/15/49

500 536,104

Series 2007-2, 5.78%, 4/10/49 (b)

750 818,490

Bear Stearns Commercial Mortgage Securities, Series 2005-PWR9, Class A4A, 4.87%, 9/11/42

663 681,893

Citigroup Commercial Mortgage Trust (b):

Series 2008-C7, Class A4, 6.34%, 12/10/49

1,370 1,518,126

Series 2013-GC15, Class B, 5.28%, 9/10/46

3,590 3,980,118  
Series 2013-GC15, Class XA, 1.46%, 9/10/46

13,171 925,360  
Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2006-CD3, Class AM, 5.65%, 10/15/48

1,093 1,182,145  
Commercial Mortgage Trust:

Series 2006-C7, Class AM, 5.97%, 6/10/46 (b)

1,750 1,872,043  
Series 2013-CR11, Class B, 5.33%, 10/10/46 (b)

3,495 3,881,061  
Series 2013-CR11, Class C, 5.34%, 10/10/46 (a)(b)

3,260 3,514,371  
Series 2013-LC6, Class B, 3.74%, 1/10/46

695 699,949  
Series 2013-LC6, Class D, 4.43%, 1/10/46 (a)(b)

835 787,811  
Credit Suisse Commercial Mortgage Trust:

Series 2006-C3, Class AM, 6.00%, 6/15/38 (b)

1,000 1,072,522  
Series 2006-C5, Class AM, 5.34%, 12/15/39

1,750 1,881,647  
Series 2010-RR2, Class 2A, 6.10%, 9/15/39 (a)(b)

774 831,994  
Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class AJ, 4.77%, 7/15/37

705 718,278



DBRR Trust, Series 2011-C32, Class A3A, 5.93%, 6/17/49 (a)(b)

365 399,017

Greenwich Capital Commercial Funding Corp., Series 2006-GG7, Class A4, 6.01%, 7/10/38 (b)

1,128 1,201,678

GS Mortgage Securities Corp. II, Series 2013-GC10, Class B, 3.68%, 2/10/46 (a)

1,250 1,250,235

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**Non-Agency Mortgage-Backed Securities Par  
(000) Value**

**Commercial Mortgage-Backed Securities (concluded)**

Hilton USA Trust, Series 2013- HLT, 4.41%, 11/05/30

USD

2,950 \$ 3,020,517

JPMBB Commercial Mortgage Securities Trust, Series 2013-C15, Class D, 5.25%, 11/15/45 (a)(b)

800 794,388

JPMorgan Chase Commercial Mortgage Securities Corp., Series 2004-LN2, Class A2, 5.12%, 7/15/41

105 105,659

JPMorgan Chase Commercial Mortgage Securities Trust, Series 2006-CB14, Class AM, 5.62%, 12/12/44 (b)

330 346,995

LB-UBS Commercial Mortgage Trust (b):

Series 2004-C8, Class C, 4.93%, 12/15/39

1,385 1,391,847

Series 2007-C6, Class A4, 5.86%, 7/15/40

4,898 5,209,629

Series 2007-C7, Class A3, 5.87%, 9/15/45

1,100 1,223,175

Morgan Stanley Capital I Trust, Series 2007-HQ11, Class A4, 5.45%, 2/12/44 (b)

4,000 4,327,020

RCMC LLC, Series 2012-CRE1, Class A, 5.62%, 11/15/44 (a)

663 682,854

Titan Europe PLC, Series 2007-1X, Class A, 0.81%, 1/20/17 (b)

GBP

1,607 2,535,060

Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class A4, 6.14%, 2/15/51 (b)

USD

2,185 2,369,737

WF-RBS Commercial Mortgage Trust, Series 2012-C8:

Class B, 4.31%, 8/15/45

695 731,110

Class C, 5.04%, 8/15/45 (b)

895 958,596

51,449,429

**Interest Only Commercial Mortgage-Backed Securities 0.8%**

Morgan Stanley Bank of America Merrill Lynch Trust, Series 2012-C5, Class XA, 2.02%, 8/15/45 (a)(b)

15,528 1,369,235

WF-RBS Commercial Mortgage Trust, Class XA (a)(b):

Series 2012-C8, 2.38%, 8/15/45

5,942 650,086

Series 2012-C9, 2.39%, 11/15/45

10,526 1,236,526

3,255,847

**Total Non-Agency Mortgage-Backed Securities 14.6%**

60,190,544

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**Preferred Securities**

**Capital Trusts**

**Banks 0.7%**

BNP Paribas SA, 7.20% (a)(b)(g)

1,000 1,167,500

Wachovia Capital Trust III, 5.57% (b)(g)

1,025 1,004,500

Wells Fargo & Co., Series S, 5.90% (b)(g)

795 832,763

3,004,763

**Capital Markets 1.4%**

The Bank of New York Mellon Corp., Series D, 4.50% (b)(g)

4,198 3,935,625

Credit Suisse Group AG, 7.50%, (a)(b)(g)

1,500 1,627,500

State Street Capital Trust IV, 1.23%, 6/01/77 (b)

70 60,462

5,623,587

**Diversified Financial Services 4.5%**

Citigroup, Inc., (b)(g):

Series D, 5.35%

1,050 1,002,612

Series M, 6.30%

2,000 2,035,000

Credit Agricole SA, 7.88% (a)(b)(g)

1,000 1,078,750

General Electric Capital Corp., Series  
B, 6.25% (b)(g)

900 1,004,625

JPMorgan Chase & Co. (b)(g):

Series 1, 7.90%

3,500 3,871,875

Series Q, 5.15%

1,500 1,460,625  
Series U, 6.13%

500 511,250  
Series V, 5.00%

3,000 2,974,968  
**Preferred Securities Par**  
**(000) Value**  
**Diversified Financial Services (concluded)**  
Morgan Stanley, Series H, 5.45% (b)(g)

USD  
875 \$ 890,313  
Societe Generale SA (a)(b)(g):

6.00%

2,860 2,731,300  
7.88%

1,000 1,042,700

18,604,018  
**Electric Utilities 0.5%**

Electricite de France SA, 5.25% (a)(b)(g)

2,100 2,168,250  
**Insurance 3.2%**

The Allstate Corp. (b):  
5.75%, 8/15/53

1,000 1,070,000  
6.50%, 5/15/67

1,950 2,137,687  
American International Group, Inc., 8.18%, 5/15/68 (b)

970 1,336,175  
AXA SA, 6.46% (a)(b)(g)

1,025 1,087,781  
Genworth Holdings, Inc., 6.15%, 11/15/66 (b)

1,150 1,012,000  
Liberty Mutual Group, Inc., 7.00%, 3/15/67 (a)(b)

975 1,035,938  
Lincoln National Corp., 6.05%, 4/20/67 (b)

675 692,719  
Metlife Capital Trust IV, 7.88%, 12/15/67 (a)

640 817,600  
Swiss Re Capital I LP, 6.85% (a)(b)(g)

1,060 1,115,650  
Voya Financial, Inc., 5.65%, 5/15/53 (b)

2,250 2,289,375  
XL Group PLC, Series E, 6.50% (b)(g)

815 787,494

13,382,419  
**Total Capital Trusts 10.3%**

42,783,037

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## Preferred Stocks

**Shares**  
**Banks 1.2%**

U.S. Bancorp, 6.00% (b)(g)

150,000 4,108,500  
Wells Fargo & Co., 5.85% (b)(g)

37,500 977,625

5,086,125  
**Capital Markets 0.4%**

The Goldman Sachs Group, Inc., Series J,  
5.50% (b)(g)

46,000 1,126,080  
SCE Trust III, 5.75% (b)(g)

12,657 336,423

1,462,503  
**Total Preferred Stocks 1.6%**

6,548,628

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**Trust Preferred  
Banks 0.1%**

Citigroup Capital XIII, 7.88%, 10/30/40 (g)

14,773 399,912  
**Total Preferred Securities 12.0%**

49,731,577

---

**U.S. Government Sponsored Agency Securities  
Par  
(000)**

**Agency Obligations 2.5%**

Fannie Mae (d):

0.00%, 10/09/19 (j)

USD

7,055 6,244,458

5.63%, 7/15/37

775 1,057,629

Federal Home Loan Bank (d):

5.25%, 12/09/22

675 813,789

5.37%, 9/09/24

1,075 1,318,743

Resolution Funding Corp., 0.00%, 7/15/18 10/15/18 (j)

1,050 989,331

10,423,950

See Notes to Financial Statements.

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**BlackRock Core Bond Trust (BHK)**  
(Percentages shown are based on Net Assets)

Schedule of Investments (continued)

	<b>Par (000)</b>	<b>Value</b>
<b>U.S. Government Sponsored Agency Securities</b>		
<b>Collateralized Mortgage Obligations 0.1%</b>		
Fannie Mae Mortgage-Backed Securities, Series 2005-5, Class PK, 5.00%, 12/25/34	USD 257	\$ 272,626
<b>Commercial Mortgage-Backed Securities 0.7%</b>		
Freddie Mac Mortgage-Backed Securities (b):		
Series 2013-K24, Class B, 3.62%, 11/25/45 (a)	1,750	1,728,745
Series K013, Class A2, 3.97%, 1/25/21	940	1,027,152
Series 2012-K706, Class C, 4.16%, 11/25/44 (a)	165	170,352
		2,926,249
<b>Interest Only Collateralized Mortgage Obligations 1.8%</b>		
Fannie Mae Mortgage-Backed Securities:		
Series 2012-96, Class DI, 4.00%, 2/25/27	6,075	670,295
Series 2012-M9, Class X1, 4.23%, 12/25/17 (b)	12,417	1,336,478
Series 2012-47, Class NI, 4.50%, 4/25/42	4,658	774,410
Freddie Mac Mortgage-Backed Securities:		
Series K707, Class X1, 1.69%, 12/25/18 (b)	2,468	143,038
Series K710, Class X1, 1.91%, 5/25/19 (b)	8,538	607,632
Series 2611, Class QI, 5.50%, 9/15/32	828	89,875
Ginnie Mae Mortgage-Backed Securities (b):		
Series 2009-78, Class SD, 6.04%, 9/20/32	4,846	933,409
Series 2009-116, Class KS, 6.32%, 12/16/39	2,369	367,790
Series 2011-52, Class NS, 6.52%, 4/16/41	13,067	2,397,384
		7,320,311
<b>Mortgage-Backed Securities 7.3%</b>		
Fannie Mae Mortgage-Backed Securities:		
3.00%, 9/01/44 (k)	6,800	6,770,250
4.00%, 12/01/41 9/01/44 (k)	4,930	5,230,179
4.50%, 7/01/41 9/01/44 (k)	12,018	12,988,199
5.00%, 8/01/34	2,094	2,314,076
5.50%, 6/01/38	1,218	1,363,093
6.00%, 12/01/38	994	1,122,586
Freddie Mac Mortgage-Backed Securities, 6.00%, 10/1/14 12/1/18	237	246,041
Ginnie Mae Mortgage-Backed Securities, 5.50%, 8/15/33	63	69,746
		30,104,170
<b>Total U.S. Government Sponsored Agency Securities 12.4%</b>		<b>51,047,306</b>
<b>U.S. Treasury Obligations Par (000) Value</b>		
U.S. Treasury Bonds (d):		
8.13%, 8/15/21		
USD		
1,550	\$ 2,171,575	
6.13%, 8/15/29		
5,000	7,135,155	

3.50%, 2/15/39

330 359,030  
4.25%, 5/15/39

3,045 3,722,037  
4.38%, 5/15/40

6,375 7,965,760  
4.75%, 2/15/41

1,630 2,158,477  
4.38%, 5/15/41

800 1,003,250  
3.13%, 11/15/41

9,930 10,078,950  
3.13%, 2/15/42

6,268 6,354,185  
3.00%, 5/15/42

2,730 2,699,287  
3.13%, 2/15/43

2,337 2,358,405  
3.75%, 11/15/43

1,065 1,205,113  
3.63%, 2/15/44

6,500 7,194,687  
U.S. Treasury Notes (d):

2.25%, 7/31/18

495 511,861  
1.75%, 5/15/22

156 151,759  
2.50%, 5/15/24

3,450 3,499,403  
**Total U.S. Treasury Obligations 14.2%**  
58,568,934  
**Total Long-Term Investments**  
**(Cost \$558,883,581) 144.4%**

595,493,553

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### Short-Term Securities

#### Shares

BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (1)(m)

742,474 742,474  
**Total Short-Term Securities**  
**(Cost \$742,474) 0.2%**

742,474

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### Options Purchased

**(Cost \$1,408,344) 0.2%**

954,199  
**Total Investments Before Options Written**  
**(Cost \$561,034,399) 144.8%**  
597,190,226

---

### Options Written

**(Premiums Received \$3,343,622) (0.6)%**  
(2,580,908)  
**Total Investments, Net of Options Written 144.2%**  
594,609,318  
**Liabilities in Excess of Other Assets (44.2)%**

(182,530,906)

**Net Assets 100.0%**

\$412,078,412

**Notes to Schedule of Investments**

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) When-issued security. Unsettled when-issued transactions were as follows:

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<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation</b>
Morgan Stanley & Co. LLC	\$1,852,000	
(d)	All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.	
(e)	Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.	
(f)	Convertible security.	
(g)	Security is perpetual in nature and has no stated maturity date.	
(h)	Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.	
(i)	Non-income producing security.	
(j)	Zero-coupon bond.	

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued)

(k) Represents or includes a TBA transaction. Unsettled TBA transactions as of August 31, 2014 were as follows:

Counterparty	Value	Unrealized Appreciation
Credit Suisse Securities (USA) LLC	\$6,770,250	\$105,187
Goldman Sachs & Co.	\$2,114,388	\$ 15,274
J.P. Morgan Securities LLC	\$9,180,000	\$ 25,234

(l) Investments in issuers considered to be an affiliate of the Trust during the year ended August 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31, 2013	Net Activity	Shares Held at August 31, 2014	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	5,335,491	(4,593,017)	742,474	\$1,865

(m) Represents the current yield as of report date.  
Reverse repurchase agreements outstanding as of August 31, 2014 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date <sup>1</sup>	Face Value	Face Value Including Accrued Interest
Merrill Lynch, Pierce, Fenner & Smith, Inc.	0.11%	4/02/13	Open	\$ 875,812	\$ 877,052
Merrill Lynch, Pierce, Fenner & Smith, Inc.	0.11%	4/02/13	Open	1,097,844	1,099,397
BNP Paribas Securities Corp.	0.11%	4/03/13	Open	851,537	852,697
Merrill Lynch, Pierce, Fenner & Smith, Inc.	0.09%	4/25/13	Open	8,430,937	8,435,371
BNP Paribas Securities Corp.	0.04%	4/29/13	Open	1,039,000	1,039,318
BNP Paribas Securities Corp.	0.08%	4/29/13	Open	377,850	378,127
BNP Paribas Securities Corp.	0.34%	5/24/13	Open	1,342,000	1,347,894
Barclays Capital, Inc.	0.60%	6/03/13	Open	3,258,750	3,283,408
Barclays Capital, Inc.	0.35%	6/24/13	Open	3,334,398	3,348,467
BNP Paribas Securities Corp.	0.07%	6/24/13	Open	5,876,250	5,880,582
BNP Paribas Securities Corp.	0.34%	8/30/13	Open	3,569,000	3,580,326
BNP Paribas Securities Corp.	0.36%	8/30/13	Open	2,294,000	2,301,708
BNP Paribas Securities Corp.	0.36%	8/30/13	Open	871,000	873,927
BNP Paribas Securities Corp.	0.36%	8/30/13	Open	1,529,000	1,534,137
BNP Paribas Securities Corp.	0.35%	10/22/13	Open	4,540,900	4,554,718
Credit Suisse Securities (USA) LLC	0.35%	10/22/13	Open	2,125,413	2,131,880
UBS Securities LLC	0.28%	2/10/14	Open	3,373,000	3,378,299
UBS Securities LLC	0.32%	2/10/14	Open	2,369,000	2,373,254
UBS Securities LLC	0.32%	2/10/14	Open	1,348,000	1,350,420

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UBS Securities LLC	0.32% <sup>2</sup> /10/14Open	2,289,000	2,293,110
UBS Securities LLC	0.32% <sup>2</sup> /10/14Open	1,355,000	1,357,433
UBS Securities LLC	0.32% <sup>2</sup> /10/14Open	1,416,000	1,418,542
UBS Securities LLC	0.33% <sup>2</sup> /10/14Open	1,073,000	1,074,987
UBS Securities LLC	0.34% <sup>2</sup> /10/14Open	1,233,000	1,235,352
UBS Securities LLC	0.34% <sup>2</sup> /10/14Open	3,805,000	3,812,259
UBS Securities LLC	0.34% <sup>2</sup> /10/14Open	1,410,000	1,412,690
UBS Securities LLC	0.34% <sup>2</sup> /10/14Open	1,139,000	1,141,173
UBS Securities LLC	0.34% <sup>2</sup> /10/14Open	827,000	828,578
UBS Securities LLC	0.34% <sup>2</sup> /10/14Open	1,853,000	1,856,535
UBS Securities LLC	0.40% <sup>2</sup> /10/14Open	496,000	497,113
RBC Capital Markets, LLC	0.11% <sup>3</sup> /13/14Open	1,464,000	1,464,699
Deutsche Bank Securities, Inc.	0.07% <sup>4</sup> /16/14Open	2,000,000	2,000,527
Deutsche Bank Securities, Inc.	0.11% <sup>4</sup> /16/14Open	6,100,000	6,102,555
Deutsche Bank Securities, Inc.	0.34% <sup>4</sup> /21/14Open	1,896,000	1,898,369
UBS Securities LLC	0.32% <sup>5</sup> /13/14Open	1,610,000	1,611,574
UBS Securities LLC	0.34% <sup>5</sup> /13/14Open	1,172,000	1,173,218
UBS Securities LLC	0.34% <sup>5</sup> /13/14Open	633,000	633,658
UBS Securities LLC	0.40% <sup>5</sup> /13/14Open	3,880,000	3,884,742
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	534,000	534,571
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	556,000	556,595
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	354,000	354,379
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	272,000	272,280
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	979,000	980,037
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	468,000	468,453
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	294,000	294,303
Barclays Capital, Inc.	0.35% <sup>5</sup> /14/14Open	738,000	738,715
BNP Paribas Securities Corp.	0.01% <sup>5</sup> /20/14Open	7,043,750	7,044,971
BNP Paribas Securities Corp.	0.08% <sup>5</sup> /20/14Open	697,812	697,933
Merrill Lynch, Pierce, Fenner & Smith, Inc.	0.05% <sup>6</sup> /11/14Open	3,524,588	3,525,631

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of August 31, 2014 were as follows (concluded):

Counterparty	Interest Rate	Trade Date	Maturity Date <sup>1</sup>	Face Value	Face Value	Face Value Including Accrued Interest
Barclays Capital, Inc.	(1.75%)	07/14	Open	\$ 1,102,710	\$ 1,099,065	\$ 1,099,065
Barclays Capital, Inc.	0.35%	07/26/14	Open	2,981,250	2,983,192	2,983,192
BNP Paribas Securities Corp.	0.08%	07/14	Open	9,483,150	9,488,186	9,488,186
BNP Paribas Securities Corp.	0.08%	07/14	Open	2,535,487	2,535,797	2,535,797
BNP Paribas Securities Corp.	0.33%	07/14	Open	1,069,000	1,069,539	1,069,539
BNP Paribas Securities Corp.	0.33%	07/14	Open	1,823,000	1,823,919	1,823,919
BNP Paribas Securities Corp.	0.33%	07/14	Open	2,172,000	2,173,095	2,173,095
BNP Paribas Securities Corp.	0.33%	07/14	Open	968,000	968,488	968,488
BNP Paribas Securities Corp.	0.33%	07/14	Open	963,000	963,485	963,485
BNP Paribas Securities Corp.	0.33%	07/14	Open	1,884,000	1,884,950	1,884,950
BNP Paribas Securities Corp.	0.34%	07/14	Open	2,300,000	2,301,195	2,301,195
BNP Paribas Securities Corp.	0.34%	07/14	Open	490,000	490,255	490,255
BNP Paribas Securities Corp.	0.35%	07/14	Open	1,203,000	1,203,643	1,203,643
BNP Paribas Securities Corp.	0.35%	07/14	Open	834,000	834,446	834,446
BNP Paribas Securities Corp.	0.35%	07/14	Open	853,000	853,456	853,456
Credit Suisse Securities (USA) LLC	0.35%	07/14	Open	1,671,156	1,672,050	1,672,050
Credit Suisse Securities (USA) LLC	0.35%	07/14	Open	1,858,594	1,859,588	1,859,588
Credit Suisse Securities (USA) LLC	0.35%	07/14	Open	1,510,500	1,511,308	1,511,308
Credit Suisse Securities (USA) LLC	0.35%	07/14	Open	2,011,500	2,012,576	2,012,576
Credit Suisse Securities (USA) LLC	0.35%	07/14	Open	1,747,463	1,748,397	1,748,397
Credit Suisse Securities (USA) LLC	0.35%	07/14	Open	3,373,625	3,375,429	3,375,429
BNP Paribas Securities Corp.	0.06%	08/14	Open	6,898,125	6,898,539	6,898,539
BNP Paribas Securities Corp.	0.09%	08/14	Open	1,147,537	1,147,710	1,147,710
BNP Paribas Securities Corp.	0.09%	08/14	Open	516,038	516,115	516,115
Credit Suisse Securities (USA) LLC	0.09%	07/23/14	Open	2,225,000	2,225,217	2,225,217
Credit Suisse Securities (USA) LLC	(0.03%)	07/14	Open	3,497,438	3,497,385	3,497,385
Credit Suisse Securities (USA) LLC	0.14%	07/12/14	09/11/14	3,562,000	3,562,277	3,562,277
BNP Paribas Securities Corp.	0.18%	07/15/14	09/11/14	1,089,000	1,089,093	1,089,093
Citigroup Global Markets, Inc.	0.16%	07/18/14	09/16/14	6,726,000	6,726,418	6,726,418

**Total** \$168,111,414 \$168,300,777

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

Financial futures contracts outstanding as of August 31, 2014 were as follows:

Contracts Purchased (Sold)	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
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48	2-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	USD 10,514,250	\$4,903
31	Long U.S. Treasury Bond	Chicago Board of Trade	December 2014	USD 4,342,906	16,008
109	Ultra Long U.S. Treasury Bond	Chicago Board of Trade	December 2014	USD 16,949,500	130,137
(129)	5-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	USD 15,329,836	(19,218)
(272)	10-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	USD 34,212,500	(99,118)
<b>Total</b>					<b>\$32,712</b>

Forward foreign currency exchange contracts outstanding as of August 31, 2014 were as follows:

<b>Currency Purchased</b>	<b>Currency Sold</b>	<b>Counterparty</b>	<b>Settlement Date</b>	<b>Unrealized Appreciation -(Depreciation)</b>
EUR 220,000	USD 294,650	Bank of America N.A.	10/21/14	\$ (5,496 )
USD 2,474,207	EUR 1,829,000	JPMorgan Chase Bank N.A.	10/21/14	70,282
USD 11,289,315	GBP 6,607,000	Bank of America N.A.	10/21/14	324,965
<b>Total</b>				<b>\$ 389,751</b>

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

OTC interest rate swaptions purchased as of August 31, 2014 were as follows:

Position	Counterparty	Put/ Call	Exercise Rate	Pay/Receive Exercise Rate	Floating Rate Index	Expiration Date	Notional Amount (000)	Market Value
Interest Rate Swap	Credit Suisse International	Call	2.40%	Receive	3-month LIBOR	9/02/14	USD 11,200	\$1,200
Interest Rate Swap	Deutsche Bank AG	Call	3.30%	Receive	3-month LIBOR	5/22/17	USD 4,400	375
Interest Rate Swap	Credit Suisse International	Put	3.45%	Pay	3-month LIBOR	9/02/14	USD 67,100	6,710
Interest Rate Swap	Bank of America N.A.	Put	0.60%	Pay	3-month LIBOR	10/02/14	USD 11,850	275
Interest Rate Swap	Barclays Bank PLC	Put	4.55%	Pay	3-month LIBOR	4/25/17	USD 10,400	1,400
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	4.60%	Pay	3-month LIBOR	4/28/17	USD 10,400	1,400
Interest Rate Swap	Deutsche Bank AG	Put	4.30%	Pay	3-month LIBOR	5/22/17	USD 4,400	1,400
Interest Rate Swap	Deutsche Bank AG	Put	4.50%	Pay	3-month LIBOR	5/22/18	USD 6,000	1,400

OTC interest rate swaptions written as of August 31, 2014 were as follows:

Position	Counterparty	Put/ Call	Exercise Rate	Pay/Receive Exercise Rate	Floating Rate Index	Expiration Date	Notional Amount (000)	Market Value
Interest Rate Swap	Credit Suisse International	Call	2.60%	Pay	3-month LIBOR	9/02/14	USD 11,200	\$(10,000)
Interest Rate Swap	Barclays Bank PLC	Call	3.26%	Pay	3-month LIBOR	11/14/14	USD 6,200	\$(380)
Interest Rate Swap	JPMorgan Chase Bank N.A.	Call	3.25%	Pay	3-month LIBOR	11/14/14	USD 6,200	\$(380)
Interest Rate Swap	Deutsche Bank AG	Call	2.85%	Pay	3-month LIBOR	11/17/14	USD 7,500	\$(210)
Interest Rate Swap	Deutsche Bank AG	Call	2.80%	Pay	3-month LIBOR	2/10/15	USD 2,700	\$(670)
Interest Rate Swap	JPMorgan Chase Bank N.A.	Call	2.50%	Pay	3-month LIBOR	5/22/15	USD 12,000	\$(1,500)
Interest Rate Swap	Deutsche Bank AG	Call	3.10%	Pay	3-month LIBOR	2/26/16	USD 6,000	\$(240)
Interest Rate Swap	Deutsche Bank AG	Call	3.15%	Pay	3-month LIBOR	3/17/16	USD 6,000	\$(250)
Interest Rate Swap	Credit Suisse International	Put	3.10%	Receive	3-month LIBOR	9/02/14	USD 11,200	1,200
Interest Rate Swap	Deutsche Bank AG	Put	2.80%	Receive	3-month LIBOR	9/15/14	USD 3,700	410
Interest Rate Swap	Barclays Bank PLC	Put	3.26%	Receive	3-month LIBOR	11/14/14	USD 6,200	1,900
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	3.25%	Receive	3-month LIBOR	11/14/14	USD 6,200	2,000
Interest Rate Swap	Deutsche Bank AG	Put	3.70%	Receive	3-month LIBOR	11/17/14	USD 7,500	2,500
Interest Rate Swap	Barclays Bank PLC	Put	3.15%	Receive	3-month LIBOR	11/24/14	USD 5,000	4,100
Interest Rate Swap	Deutsche Bank AG	Put	3.80%	Receive	3-month LIBOR	2/10/15	USD 2,700	1,400
Interest Rate Swap	Bank of America N.A.	Put	3.70%	Receive	3-month LIBOR	2/25/15	USD 1,500	1,400
Interest Rate Swap	Barclays Bank PLC	Put	3.65%	Receive	3-month LIBOR	4/15/15	USD 1,100	2,500
Interest Rate Swap	Citibank N.A.	Put	3.65%	Receive	3-month LIBOR	4/15/15	USD 1,000	2,200
Interest Rate Swap	Deutsche Bank AG	Put	3.65%	Receive	3-month LIBOR	4/15/15	USD 900	2,000
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	3.50%	Receive	3-month LIBOR	5/22/15	USD 12,000	5,600
Interest Rate Swap	Deutsche Bank AG	Put	4.15%	Receive	3-month LIBOR	2/26/16	USD 6,000	4,400
Interest Rate Swap	Citibank N.A.	Put	4.15%	Receive	3-month LIBOR	2/29/16	USD 6,000	4,400
Interest Rate Swap	Barclays Bank PLC	Put	4.05%	Receive	3-month LIBOR	4/18/16	USD 1,700	1,700
Interest Rate Swap	Deutsche Bank AG	Put	4.05%	Receive	3-month LIBOR	4/18/16	USD 1,600	1,600
Interest Rate Swap	Goldman Sachs Bank USA	Put	4.05%	Receive	3-month LIBOR	4/18/16	USD 1,700	1,700

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Interest Rate Swap	BNP Paribas S.A.	Put	4.10%	Receive	3-month LIBOR	4/25/16	USD 3,600	(35
Interest Rate Swap	Citibank N.A.	Put	4.05%	Receive	3-month LIBOR	4/25/16	USD 5,000	(52
Interest Rate Swap	Barclays Bank PLC	Put	4.05%	Receive	3-month LIBOR	4/25/17	USD 8,500	(19
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	4.10%	Receive	3-month LIBOR	4/28/17	USD 8,500	(18
Interest Rate Swap	Deutsche Bank AG	Put	6.00%	Receive	3-month LIBOR	5/22/18	USD 12,000	(95

\$(2,5

Centrally cleared interest rate swaps outstanding as of August 31, 2014 were as follows:

Fixed Rate	Floating Rate	Clearinghouse	Effective Date	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
0.56% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	11/30/18	USD 20,900	\$ (45,712 )
1.69% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	10/03/14 <sup>2</sup>	11/30/18	USD 10,200	(35,979 )
3.97% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	4/25/19 <sup>2</sup>	4/25/24	USD 4,900	(144,799 )
2.77% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	4/29/24	USD 400	(10,851 )
2.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	6/30/24	USD 4,800	72,263
2.62% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/01/24	USD 500	6,132
2.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/18/24	USD 2,600	(38,543 )
2.59% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/22/24	USD 2,300	21,390
2.62% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/24/24	USD 3,100	36,045
2.63% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/07/24	USD 1,000	12,859
2.59% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/08/24	USD 1,000	9,133
2.59% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/08/24	USD 1,000	8,815
2.58% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	4,151

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

Centrally cleared interest rate swaps outstanding as of August 31, 2014 were as follows (concluded):

Fixed Rate	Floating Rate	Clearinghouse	Effective Date	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
2.58% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	\$ 3,993
2.57% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	3,335
2.57% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	3,403
2.55% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/12/24	USD 500	2,506
2.55% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/12/24	USD 500	2,596
2.56% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/22/24	USD 4,200	26,140
2.55% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/27/24	USD 4,800	22,372
2.49% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	9/02/24	USD 500	(2,635 )
3.19% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	4/22/15 <sup>2</sup>	4/22/25	USD 2,400	102,245
2.97% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	6/03/15 <sup>2</sup>	6/03/25	USD 1,100	21,179
3.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	2/27/44	USD 2,500	(299,000 )
3.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	4/22/15 <sup>2</sup>	4/22/45	USD 1,100	(110,336 )
3.47% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	6/03/15 <sup>2</sup>	6/03/45	USD 500	(29,810 )
<b>Total</b>						\$ (359,108 )

<sup>1</sup> Trust pays the fixed rate and receives the floating rate.<sup>2</sup> Forward swap.

OTC credit default swaps buy protection outstanding as of August 31, 2014 were as follows:

	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Market Value	Premiums Paid	Unrealized Depreciation	
Group, Inc.	5.00%	Citibank N.A.	6/20/15	USD 1,400	\$(49,097)	\$13,035	\$(62,132)	
New York Times Co.	1.00%	Barclays Bank PLC	12/20/16	USD 1,800	(19,418)	57,942	(77,360)	
Bank of New Zealand Banking Group Ltd.	1.00%	Deutsche Bank AG	9/20/17	USD 1	(12)	9	(21)	
Bank of America Corp.	1.00%	Deutsche Bank AG	9/20/17	USD 1	(12)	10	(22)	
						\$(68,539)	\$ 70,996	\$(13,543)

OTC credit default swaps sold protection outstanding as of August 31, 2014 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Credit Rating <sup>3</sup>	Notional Amount (000) <sup>4</sup>	Market Value	Premiums Received	Unrealized Appreciation
MetLife, Inc.	1.00%	Morgan Stanley Capital Services LLC	9/20/16	A-	USD 900	\$14,483	\$(30,429 )	\$44,912
MetLife, Inc.	1.00%	Deutsche Bank AG	9/20/16	A-	USD 730	11,745	(25,168 )	36,913
MetLife, Inc.	1.00%	Morgan Stanley Capital Services LLC	9/20/16	A-	USD 275	4,425	(8,292 )	12,717
MetLife, Inc.	1.00%	Goldman Sachs Bank USA	9/20/16	A-	USD 500	8,044	(16,778 )	24,822
MetLife, Inc.	1.00%	Credit Suisse International	9/20/16	A-	USD 535	8,607	(20,171 )	28,778
MetLife, Inc.	1.00%	Citibank N.A.	12/20/16	A-	USD 298	5,130	(9,981 )	15,111
MetLife, Inc.	1.00%	Citibank N.A.	12/20/16	A-	USD 285	4,895	(10,366 )	15,261

**Total**

\$ 57,329 \$(121,185) \$ 178,514

<sup>3</sup>Using S&P's rating of the issuer.

<sup>4</sup>The maximum potential amount the Trust may pay should a negative credit event take place as defined under the terms of the agreement.

For Trust compliance purposes, the Trust'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 investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (continued)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$ 20,001,624	\$ 6,755,839	\$ 26,757,463
Corporate Bonds		320,243,902	8,777,320	329,021,222
Foreign Agency Obligations		7,432,700		7,432,700
Municipal Bonds		12,743,807		12,743,807
Non-Agency				
Mortgage-Backed Securities		60,190,544		60,190,544
Preferred Securities	\$ 6,948,540	42,783,037		49,731,577
U.S. Government Sponsored				
Agency Securities		51,047,306		51,047,306
U.S. Treasury Obligations		58,568,934		58,568,934
Short-Term Securities	742,474			742,474
Options Purchased:				
Interest Rate Contracts		954,199		954,199
<b>Total</b>	<b>\$ 7,691,014</b>	<b>\$ 573,966,053</b>	<b>\$ 15,533,159</b>	<b>\$ 597,190,226</b>

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

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of August 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash	\$ 38,897			\$ 38,897
Cash pledged for centrally cleared swaps	516,000			516,000
Cash pledged as collateral for OTC derivatives	1,200,000			1,200,000
Cash pledged for financial futures contracts	122,000			122,000
Foreign currency at value	15,884			15,884
<b>Liabilities:</b>				

Cash received as collateral for reverse repurchase agreements	\$ (2,378,000)	(2,378,000)
Reverse repurchase agreements	(168,300,777)	(168,300,777)
<b>Total</b>	\$ 1,892,781	\$(170,678,777)

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2014.

See Notes to Financial Statements.

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## BlackRock Core Bond Trust (BHK)

## Schedule of Investments (concluded)

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets.

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

	Common Stocks	Asset-Backed Securities	Corporate Bonds	Total
<b>Assets:</b>				
Opening Balance, as of August 31, 2013	\$ 137,600	\$10,951,144	\$6,284,125	\$17,372,869
Transfers into Level 3				
Transfers out of Level 3 <sup>1</sup>		(5,953,535)		(5,953,535)
Accrued discounts/premiums		(314,613)		(314,613)
Net realized gain		46,225		46,225
Net change in unrealized appreciation/depreciation <sup>2,3</sup>	(137,600)	254,774	228,086	345,260
Purchases		6,242,847	2,265,109	8,507,956
Sales		(4,471,003)		(4,471,003)
<b>Closing Balance, as of August 31, 2014</b>		\$ 6,755,839	\$8,777,320	\$15,533,159
Net change in unrealized appreciation/depreciation on investments still held at August 31, 2014 <sup>3</sup>		\$ 254,380	\$ 228,086	\$ 482,466

As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$5,953,535 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup>Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized

<sup>3</sup>appreciation/depreciation on investments held as of August 31, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

The Trust's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 instruments.

See Notes to Financial Statements.

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

Consolidated Schedule of Investments August 31, 2014

**Common Stocks**

**Shares Value**

**Auto Components 1.2%**

The Goodyear Tire & Rubber Co.

792,356 \$ 20,577,485  
Lear Corp.

1,032 104,366

20,681,851  
**Banks 0.5%**

Citigroup, Inc.

161,430 8,337,859  
**Capital Markets 2.1%**

American Capital Ltd. (a)

1,875,455 29,050,798  
E\*Trade Financial Corp. (a)

246,100 5,478,186  
Uranium Participation Corp. (a)

176,860 852,337

35,381,321  
**Chemicals 0.8%**

Advanced Emissions Solutions, Inc. (a)

168,580 3,673,358  
Huntsman Corp.



373,192 10,035,133  
LyondellBasell Industries NV, Class A

38 4,345

13,712,836  
**Communications Equipment 0.4%**

Nokia OYJ ADR

877,870 7,347,772  
**Containers & Packaging 0.0%**

Smurfit Kappa Group PLC

12,980 293,722  
**Diversified Consumer Services 0.4%**

Cengage Thomson Learning (a)

211,142 6,686,234  
**Diversified Financial Services 2.4%**

Ally Financial, Inc.

1,101,275 27,091,365  
Ally Financial, Inc. (a)

142,289 3,500,309  
Kcad Holdings I Ltd. (a)

1,563,279,160 10,677,197

41,268,871  
**Diversified Telecommunication Services 0.3%**  
Broadview Networks Holdings, Inc. (a)

192,400 394,419

Level 3 Communications, Inc. (a)

115,920 5,211,763

5,606,182

**Electrical Equipment 0.0%**

Medis Technologies Ltd. (a)

365,353 4

**Energy Equipment & Services 0.7%**

Laricina Energy Ltd. (a)(b)

211,764 6,787,433

Osum Oil Sands Corp. (a)(b)

400,000 4,863,423

11,650,856

**Health Care Providers & Services 0.0%**

HealthSouth Corp.

1,468 57,825

**Insurance 1.1%**

American International Group, Inc.

316,865 17,763,452

**Media 0.0%**

Clear Channel Outdoor Holdings, Inc., Class A

47,653 330,712

**Metals & Mining 0.1%**

African Minerals Ltd. (a)

225,302 115,218

Peninsula Energy Ltd. (a)

39,828,291 892,743

1,007,961

**Oil, Gas & Consumable Fuels 1.2%**

African Petroleum Corp. Ltd. (a)

331,833 52,686

General Maritime Corp.

953,381 17,637,548

Seven Generations Energy Ltd. (a)(b)

108,000 2,483,215

20,173,449

**Paper & Forest Products 0.5%**

Ainsworth Lumber Co. Ltd. (a)

2,147,503 5,354,383

Ainsworth Lumber Co. Ltd. (a)(c)

614,940 1,532,684

Western Forest Products, Inc.

621,145 1,392,959

8,280,026

**Semiconductors & Semiconductor Equipment 0.0%**

SunPower Corp. (a)

1,025 39,176

**Software 0.7%**

Amaya Gaming Group, Inc.

312,745 8,273,088  
HMH Holdings/EduMedia (a)

206,188 3,958,809

12,231,897

**Common Stocks**

**Shares Value**

**Trading Companies & Distributors 0.2%**

HD Supply Holdings, Inc. (a)

115,400 \$ 3,204,658

**Total Common Stocks 12.6%**

214,056,664

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**Asset-Backed Securities**

**Par  
(000)**

Adams Mill CLO Ltd., Series 2014-1A, Class D1, 3.70%, 7/15/26 (c)(d)

USD

500 475,900

ALM Loan Funding, Series 2013-7RA (c)(d):

Class C, 3.68%, 4/24/24

2,840 2,714,705

Class D, 5.23%, 4/24/24

2,360 2,192,785

ALM XIV Ltd., Series 2014-14A (c)(d):

Class B, 3.18%, 7/28/26

1,069 1,052,914

Class C, 3.68%, 7/28/26

750 711,900

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ALM XIV, Ltd., Series 2014-14A, Class D, 5.08%, 7/28/26 (c)(d)

250 226,850

Apidos CLO XVIII, Series 2014-18A, Class C, 3.88%, 7/22/26 (c)(d)

550 534,160

Atlas Senior Loan Fund V, Ltd., Series 2014-1A (c)(d):

Class C, 3.26%, 7/16/26

250 246,281

Atlas Senior Loan Fund V, Ltd., Series 2014-1A (c)(d):

Class D, 3.71%, 7/16/26

250 232,497

Avalon IV Capital, Ltd., Series 2012-1AR, Class CR, 3.08%, 4/17/23 (c)(d)

850 850,425

Benefit Street Partners CLO, Ltd., Series 2014-IVA, Class C, 3.68%, 7/20/26 (c)(d)

500 467,857

Carlyle Global Market Strategies CLO 2012-2, Ltd., Series 2012-2AR, Class ER, 6.33%, 7/20/23 (c)(d)

580 575,531

Cedar Funding, Ltd., Series 2014-3A (c)(d):

Class C, 3.03%, 5/20/26

800 784,000

Class D, 3.78%, 5/20/26

535 511,246

CIFC Funding 2014-II, Ltd., Series 2014-2A, Class A3L, 3.10%, 5/24/26 (c)(d)

500 487,923

CIFC Funding Ltd., Series 2014-3A (c)(d):

Class C1, 2.95%, 7/22/26

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500 484,898  
Class D, 3.55%, 7/22/26

250 233,817  
Galaxy CLO Ltd., Series 2014-18A, Class C1, 3.23%, 10/15/26 (c)(d)

500 490,000  
Gramercy Park CLO, Ltd., Series 2012-1AR, Class DR, 5.73%, 7/17/23 (c)(d)

500 494,776  
Jamestown CLO IV Ltd., Series 2014-4A, Class C, 3.73%, 7/15/26 (c)(d)

250 235,334  
LCM X LP, Series 10AR, Class ER, 5.73%, 4/15/22 (c)(d)

1,000 981,918  
Madison Park Funding, Ltd. (c)(d):  
3.83%, 7/20/26

500 476,927  
Series 2012-8AR, Class CR, 3.03%, 4/22/22

500 500,000  
Series 2012-8AR, Class DR, 4.08%, 4/22/22

250 250,000  
Neuberger Berman CLO XVII, Ltd., Series 2014-17A, Class D, 3.78%, 8/04/25 (c)(d)

500 473,850  
Octagon Investment Partners XII, Ltd., Series 2012-1AR, Class ER, 5.74%, 5/05/23 (c)(d)

1,200 1,191,359  
Octagon Investment Partners XX, Ltd., Series 2014-1A (c)(d):  
Class D, 3.89%, 8/12/26

250 239,975  
Class E, 5.49%, 8/12/26

250 233,150

Palmer Square CLO, Ltd., Series 2014-1A (c)(d):

Class B, 2.82%, 10/17/22

1,100 1,074,330

Class C, 4.12%, 10/17/22

845 832,468

Class D, 6.02%, 10/17/22

590 584,247

Steele Creek CLO 2014-1, Ltd., Series 2014-1A, Class B, 2.48%, 8/21/26 (c)(d)

500 493,600

TICP CLO II, Ltd., Series 2014-2A, Class A1A, 1.68%, 7/20/26 (c)(d)

1,000 994,777

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Asset-Backed Securities Par**  
**(000) Value**

Venture CDO, Ltd., Series 2014-17A, Class C, 3.13%, 7/15/26 (c)(d)

USD

500 \$ 486,603

Venture XIII CLO, Ltd., Series 2013-13A, Class D, 3.78%, 6/10/25 (c)(d)

1,000 945,555

Washington Mill CLO, Ltd., Series 2014-1A (c)(d):

Class C, 3.23%, 4/20/26

515 510,475

Class D, 3.68%, 4/20/26

660 618,817

WhiteHorse IX, Ltd., Series 2014-9A, Class C, 2.92%, 7/17/26 (c)(d)

250 239,291

WhiteHorse, Ltd., Series 2014-1A, Class C, 2.99%, 5/01/26 (c)(d)

680 654,221

**Total Asset-Backed Securities 1.5%**

25,785,362

**Corporate Bonds**

**Aerospace & Defense 1.4%**

B/E Aerospace, Inc., 5.25%, 4/01/22

410 443,825

CTP Transportation Products LLC/CTP Finance, Inc., 8.25%, 12/15/19 (c)

1,095 1,179,863

Huntington Ingalls Industries, Inc.:



6.88%, 3/15/18

1,015 1,072,094  
7.13%, 3/15/21

1,405 1,527,937  
Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (c)

1,140 1,242,600  
TransDigm, Inc.:

5.50%, 10/15/20

2,490 2,490,000  
6.00%, 7/15/22 (c)

9,680 9,849,400  
6.50%, 7/15/24 (c)

6,048 6,199,200

24,004,919  
**Air Freight & Logistics 0.3%**

CEVA Group PLC, 9.00%, 9/01/21 (c)

844 852,440  
National Air Cargo Group, Inc.:

12.38%, 8/16/15

1,174 1,174,016  
12.38%, 9/02/15

1,155 1,155,408  
XPO Logistics, Inc., 7.88%, 9/01/19 (c)

1,400 1,456,000

4,637,864

**Airlines 2.8%**

American Airlines Pass-Through Trust, Series 2013-2, Class C, 6.00%, 1/15/17 (c)

6,420 6,644,700

Continental Airlines Pass-Through Trust:

Series 1997-4, Class B, 6.90%, 7/28/18

333 351,015

Series 2012-3, Class C, 6.13%, 4/29/18

5,145 5,453,700

Delta Air Lines Pass-Through Trust, Class B:

Series 2009-1, 9.75%, 6/07/18

864 977,172

Series 2010-1, 6.38%, 7/02/17 (c)

2,647 2,805,820

US Airways Pass-Through Trust:

Series 2011-1, Class C, 10.88%, 10/22/14

1,449 1,470,877

Series 2012-1, Class C, 9.13%, 10/01/15

1,634 1,723,353

Series 2012-2, Class C, 5.45%, 6/03/18

5,720 5,820,100

Series 2013-1, Class B, 5.38%, 11/15/21

5,255 5,425,788

Virgin Australia Trust, Series 2013-1 (c):

Class C, 7.13%, 10/23/18

8,395 8,772,804  
Class D, 8.50%, 10/23/16

8,036 8,376,502

47,821,831  
**Auto Components 2.5%**

Affinia Group, Inc., 7.75%, 5/01/21

3,109 3,202,270  
Autodis SA, 6.50%, 2/01/19

EUR  
265 364,096  
Brighthouse Group PLC, 7.88%, 5/15/18

GBP  
400 698,923  
CNH Industrial Finance Europe SA, 2.75%, 3/18/19

EUR  
1,527 2,028,251  
Dana Holding Corp., 6.75%, 2/15/21

USD  
200 213,500  
Delphi Corp., 6.13%, 5/15/21

420 464,100  
Icahn Enterprises LP/Icahn Enterprises Finance Corp.:  
3.50%, 3/15/17

352 354,200  
4.88%, 3/15/19

8,850 9,093,375  
6.00%, 8/01/20

2,973 3,173,678  
5.88%, 2/01/22

2,797 2,915,873

**Corporate Bonds Par  
(000) Value**

**Auto Components (concluded)**

IDQ Holdings, Inc., 11.50%, 4/01/17 (c)

USD

2,155 \$ 2,348,950

Rhino Bondco SpA, 7.25%, 11/15/20

EUR

490 684,397

Schaeffler Holding Finance BV:

2.75%, 5/15/19

2,035 2,680,979

(6.88% Cash or 7.63% PIK), 6.88%,  
8/15/18 (c)(e)

USD

2,400 2,529,000

(6.88% Cash), 6.88%, 8/15/18 (e)

EUR

1,660 2,298,939

Servus Luxembourg Holding SCA, 7.75%, 6/15/18

706 989,775

Titan International, Inc., 6.88%, 10/01/20

USD

2,505 2,517,525

UCI International, Inc., 8.63%, 2/15/19

7,080 6,761,400

43,319,231

**Automobiles 1.2%**

Chrysler Group LLC/CG Co-Issuer, Inc., Term Loan, 8.25%, 6/15/21

2,920 3,263,100  
Ford Motor Co., 4.25%, 11/15/16 (f)

160 323,800  
General Motors Co.:

4.88%, 10/02/23

940 1,005,800  
6.25%, 10/02/43

7,410 8,688,225  
Jaguar Land Rover Automotive PLC:

8.25%, 3/15/20

GBP  
2,269 4,181,238  
5.00%, 2/15/22

1,555 2,600,896

20,063,059  
**Banks 1.2%**

Banco Bilbao Vizcaya Argentaria SA, 7.00% (d)(g)

EUR  
1,000 1,379,647  
Banco Espirito Santo SA:

4.75%, 1/15/18

1,900 2,504,978  
4.00%, 1/21/19

100 129,255  
CIT Group, Inc.:

5.25%, 3/15/18

USD  
4,320 4,611,600

6.63%, 4/01/18 (c)

1,400 1,561,000  
5.50%, 2/15/19 (c)

6,919 7,463,871  
6.00%, 4/01/36

2,800 2,814,000  
HSH Nordbank AG, 1.00%, 2/14/17 (d)

EUR  
608 651,105

21,115,456  
**Beverages 0.1%**

Hydra Dutch Holdings 2BV, 5.70%, 4/15/19 (d)

1,355 1,753,696  
**Biotechnology 0.2%**

Laba Royalty Sub LLC, 9.00%, 5/15/29 (c)

USD  
2,630 2,656,300  
**Building Products 1.5%**

American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (c)

1,715 1,745,013  
BMBG Bond Finance SCA, 5.20%, 10/15/20 (d)

EUR  
1,020 1,358,456  
Builders FirstSource, Inc., 7.63%, 6/01/21 (c)

USD  
2,058 2,150,610  
Building Materials Corp. of America, 6.75%, 5/01/21 (c)

2,490 2,670,525  
Cemex Finance LLC, 6.00%, 4/01/24 (c)

3,295 3,426,800  
Cemex SAB de CV, 5.88%, 3/25/19 (c)

1,335 1,398,413  
CPG Merger Sub LLC, 8.00%, 10/01/21 (c)

3,590 3,769,500  
Momentive Performance Materials, Inc., 8.88%, 10/15/20 (a)(h)

1,068 1,001,250  
Ply Gem Industries, Inc., 6.50%, 2/01/22 (c)

3,550 3,514,500  
USG Corp., 9.75%, 1/15/18

3,935 4,633,462

25,668,529  
**Capital Markets 1.4%**

American Capital Ltd., 6.50%, 9/15/18 (c)

3,840 4,032,000  
Blackstone CQP Holdco LP, 9.30%, 3/18/19

16,121 16,443,093  
E\*Trade Financial Corp. (f)(i):

0.00%, 8/31/19 (c)

1,206 2,604,206  
Series A, 0.00%, 8/31/19

373 805,447

23,884,746

**Chemicals 1.4%**

Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holding BV:

5.75%, 2/01/21

EUR

500 696,393

7.38%, 5/01/21 (c)

USD

1,760 1,918,400

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**  
**Chemicals (concluded)**

Axiall Corp., 4.88%, 5/15/23

USD

629 \$ 629,786

Basell Finance Co. BV, 8.10%, 3/15/27 (c)

2,115 2,876,174

Celanese US Holdings LLC:

5.88%, 6/15/21

1,848 2,028,180

4.63%, 11/15/22

1,565 1,592,387

Huntsman International LLC:

8.63%, 3/15/21

945 1,037,138

5.13%, 4/15/21

EUR

1,779 2,453,224

INEOS Finance PLC, 8.38%, 2/15/19 (c)

USD

100 108,500

INEOS Group Holdings SA:

6.13%, 8/15/18 (c)

2,125 2,194,062

6.50%, 8/15/18

EUR

378 517,265

5.75%, 2/15/19

506 684,804  
LSB Industries, Inc., 7.75%, 8/01/19

USD  
1,313 1,434,453  
Montichem Holdco SA, 5.25%, 6/15/21

EUR  
311 414,053  
Nexeo Solutions LLC/Nexeo Solutions Finance Corp., 8.38%, 3/01/18

USD  
510 512,550  
PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20

811 894,128  
PolyOne Corp.:  
7.38%, 9/15/20

1,205 1,298,388  
5.25%, 3/15/23

1,506 1,554,945  
Rockwood Specialties Group, Inc., 4.63%, 10/15/20

1,596 1,659,840

24,504,670  
**Commercial Services & Supplies 3.0%**  
AA Bond Co., Ltd., 9.50%, 7/31/19

GBP  
996 1,834,983  
ADS Waste Holdings, Inc., 8.25%, 10/01/20

USD  
1,546 1,646,490  
ARAMARK Corp., 5.75%, 3/15/20

3,608 3,779,380  
Aviation Capital Group Corp., 6.75%, 4/06/21 (c)

3,002 3,391,597  
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)

649 664,815  
Bilbao Luxembourg SA, (10.5% Cash or 11.25% PIK), 10.50%, 12/01/18 (e)

EUR  
400 568,809  
Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (c)

USD  
3,057 3,179,280  
Covanta Holding Corp.:

6.38%, 10/01/22

2,970 3,185,325  
5.88%, 3/01/24

1,180 1,221,300  
Jurassic Holdings III, Inc., 6.88%, 2/15/21 (c)

2,738 2,799,605  
Mobile Mini, Inc., 7.88%, 12/01/20

2,040 2,203,200  
Mustang Merger Corp., 8.50%, 8/15/21 (c)

2,688 2,829,120  
United Rentals North America, Inc.:

7.38%, 5/15/20

1,890 2,060,100  
8.25%, 2/01/21

2,168 2,384,800  
7.63%, 4/15/22

9,095 10,209,137  
6.13%, 6/15/23

1,055 1,126,212  
5.75%, 11/15/24

5,256 5,505,660  
Verisure Holding AB:

8.75%, 9/01/18

EUR  
790 1,105,533  
8.75%, 12/01/18

673 943,536

50,638,882  
**Communications Equipment 2.1%**  
Alcatel-Lucent USA, Inc.:

4.63%, 7/01/17 (c)

USD  
1,735 1,761,025  
6.75%, 11/15/20 (c)

3,755 3,970,912  
6.45%, 3/15/29

4,078 3,986,245  
Avaya, Inc. (c):

7.00%, 4/01/19

1,505 1,497,475  
10.50%, 3/01/21

1,355 1,243,213  
CommScope, Inc. (c):

5.00%, 6/15/21

1,475 1,497,125  
5.50%, 6/15/24

1,413 1,437,727  
Nokia OYJ, 5.00%, 10/26/17 (f)

EUR  
800 2,798,398  
Zayo Group LLC/Zayo Capital, Inc.:

8.13%, 1/01/20

USD  
5,725 6,175,844  
10.13%, 7/01/20

9,470 10,772,125

35,140,089

**Corporate Bonds Par  
(000) Value**

**Construction & Engineering 0.8%**  
Aldesa Financial Services SA, 7.25%, 4/01/21

EUR  
960 \$ 1,290,051  
Astaldi SpA, 7.13%, 12/01/20

2,654 3,752,322  
BlueLine Rental Finance Corp., 7.00%, 2/01/19 (c)

USD  
1,032 1,091,340  
H&E Equipment Services, Inc., 7.00%, 9/01/22

2,462 2,689,735  
Novafives SAS:

4.21%, 6/30/20 (d)

EUR  
455 600,537  
4.50%, 6/30/21

320 426,561  
Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (c)

USD  
2,852 3,001,730  
Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23

862 853,380

13,705,656  
**Construction Materials 2.4%**

HD Supply, Inc.:

8.13%, 4/15/19

13,109 14,288,810  
11.00%, 4/15/20

9,123 10,559,872  
7.50%, 7/15/20

12,975 13,948,125  
Kerneos Tech Group SAS:

4.92%, 3/01/21 (d)

EUR  
194 257,989  
5.75%, 3/01/21

262 358,025  
Officine MaccaFerri SpA, 5.75%, 6/01/21

780 1,040,767

40,453,588  
**Consumer Finance 0.3%**

Ford Motor Credit Co. LLC:

12.00%, 5/15/15

USD

1,120 1,207,972

6.63%, 8/15/17

361 412,299

8.13%, 1/15/20

500 634,775

IVS F. SpA, 7.13%, 4/01/20

EUR

1,260 1,771,600

Springleaf Finance Corp.:

6.90%, 12/15/17

USD

315 344,137

7.75%, 10/01/21

297 337,095

8.25%, 10/01/23

539 623,892

5,331,770

**Containers & Packaging 1.5%**

Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc.:

6.25%, 1/31/19 (c)

1,504 1,519,040

6.00%, 6/30/21 (c)

1,825 1,806,750

4.25%, 1/15/22

EUR

1,855 2,406,910  
Ball Corp., 4.00%, 11/15/23

USD

1,129 1,081,017  
Beverage Packaging Holdings Luxembourg II SA (c):

5.63%, 12/15/16

2,113 2,149,977  
6.00%, 6/15/17

2,137 2,169,055  
Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21

93 99,278  
Crown European Holdings SA, 4.00%, 7/15/22

EUR

1,325 1,802,789  
Graphic Packaging International, Inc., 7.88%, 10/01/18

USD

2,080 2,168,400  
Metsa Board OYJ, 4.00%, 3/13/19

EUR

550 750,669  
OI European Group BV, 4.88%, 3/31/21

1,057 1,496,356  
Pactiv LLC:

7.95%, 12/15/25

USD

4,267 4,597,692  
8.38%, 4/15/27

553 595,858  
SGD Group SAS, 5.63%, 5/15/19

EUR

405 540,206  
Tekni-Plex, Inc., 9.75%, 6/01/19 (c)



USD

1,907 2,092,932

25,276,929

**Distributors 0.4%**

VWR Funding, Inc., 7.25%, 9/15/17

6,554 6,914,470

**Diversified Consumer Services 0.5%**

APX Group, Inc.:

6.38%, 12/01/19

580 588,700

8.75%, 12/01/20

599 596,005

Garda World Security Corp., 7.25%, 11/15/21 (c)

702 718,673

Laureate Education, Inc., 9.25%, 9/01/19 (c)

5,935 6,083,375

7,986,753

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par  
(000) Value**

**Diversified Financial Services 4.7%**

Aircastle Ltd., 6.25%, 12/01/19

USD

1,795 \$ 1,943,088

Ally Financial, Inc.:

7.50%, 9/15/20

1,141 1,364,921

8.00%, 11/01/31

20,980 27,136,117

CE Energy AS, 7.00%, 2/01/21

EUR

745 1,016,825

Co-Operative Group Holdings, 6.88%, 7/08/20 (j)

GBP

730 1,293,714

DFC Finance Corp., 10.50%, 6/15/20 (c)

USD

2,745 2,782,744

Ford Motor Credit Co. LLC, 5.88%, 8/02/21

200 235,032

Gala Group Finance PLC, 8.88%, 9/01/18

GBP

2,417 4,254,283

Jarden Corp., 1.88%, 9/15/18 (f)

USD

100 137,875

Jefferies Finance LLC/JFIN Co-Issuer Corp. (c):

7.38%, 4/01/20

3,410 3,563,450

6.88%, 4/15/22

2,987 2,994,467  
JPMorgan Chase & Co., 6.75% (d)(g)

5,674 6,092,457  
Lehman Brother Holding Escrow, 1.00%, 9/22/18

430 86,000  
Lehman Brothers Holdings, Inc.:

5.38%, 10/17/14

EUR  
350 94,276  
4.75%, 1/16/15

1,890 509,090  
1.00%, 2/05/15

3,950 1,012,070  
1.00%, 12/31/49

USD  
1,535 307,000  
Leucadia National Corp., 8.13%, 9/15/15

4,503 4,801,324  
Reynolds Group Issuer, Inc.:

7.13%, 4/15/19

2,140 2,222,925  
9.00%, 4/15/19

3,405 3,575,250  
7.88%, 8/15/19

728 788,060  
9.88%, 8/15/19

3,015 3,342,881

5.75%, 10/15/20

9,982 10,431,190  
8.25%, 2/15/21

631 688,579

80,673,618  
**Diversified Telecommunication Services 3.7%**  
CenturyLink, Inc.:

6.45%, 6/15/21

1,125 1,231,875  
Series V, 5.63%, 4/01/20

5,420 5,731,650  
Cequel Communications Holdings I LLC/Cequel Capital Corp., 5.13%, 12/15/21 (c)

2,350 2,329,437  
Consolidated Communications Finance Co., 10.88%, 6/01/20

1,915 2,211,825  
Frontier Communications Corp., 8.50%, 4/15/20

2,900 3,371,250  
Level 3 Communications, Inc., 8.88%, 6/01/19

1,780 1,922,400  
Level 3 Financing, Inc.:

8.13%, 7/01/19

7,665 8,297,362  
7.00%, 6/01/20

2,395 2,580,612  
8.63%, 7/15/20

8,235 9,120,262  
Telecom Italia SpA:

6.13%, 11/15/16 (f)

EUR  
1,600 2,500,710  
6.38%, 6/24/19

GBP  
900 1,623,047  
4.88%, 9/25/20

EUR  
870 1,254,350  
4.50%, 1/25/21

1,350 1,911,606  
5.88%, 5/19/23

GBP  
1,900 3,317,855  
Telefonica SA, Series TIT, 6.00%, 7/24/17 (f)

EUR  
900 1,208,926  
Telenet Finance V Luxembourg SCA:

6.25%, 8/15/22

1,362 1,941,716  
6.75%, 8/15/24

1,982 2,912,826  
tw telecom holdings, Inc., 5.38%, 10/01/22

USD  
4,630 5,035,125  
Windstream Corp.:

7.75%, 10/15/20

1,648 1,775,720  
7.75%, 10/01/21

1,720 1,874,800  
6.38%, 8/01/23

315 315,788

62,469,142  
**Electric Utilities 0.4%**

Homer City Generation LP (e):

8.14%, 10/01/19

850 909,500  
8.73%, 10/01/26

2,165 2,294,900  
Miran Mid-Atlantic Pass Through Trust:

Series B, 9.13%, 6/30/17

989 1,065,641  
Series C, 10.06%, 12/30/28

2,237 2,513,806

6,783,847

**Corporate Bonds Par**  
**(000) Value**  
**Electrical Equipment 0.3%**

Belden, Inc., 5.50%, 4/15/23

EUR  
600 \$ 821,876  
International Wire Group Holdings, Inc., 8.50%, 10/15/17 (c)

USD  
1,421 1,531,127  
Rexel SA, 5.25%, 6/15/20 (c)

205 209,100

Techem Energy Metering Service GmbH & Co., 7.88%, 10/01/20

EUR

210 306,282

Trionista Holdco GmbH, 5.00%, 4/30/20

EUR

1,511 2,058,885

Trionista TopCo GmbH, 6.88%, 4/30/21

418 587,677

5,514,947

**Electronic Equipment, Instruments & Components 0.1%**

CDW LLC/CDW Finance Corp., 8.50%, 4/01/19

USD

102 109,650

Jabil Circuit, Inc., 8.25%, 3/15/18

1,310 1,542,525

1,652,175

**Energy Equipment & Services 1.8%**

Atwood Oceanics, Inc., 6.50%, 2/01/20

780 826,800

Calfrac Holdings LP, 7.50%, 12/01/20 (c)

3,146 3,342,625

CGG SA, 7.75%, 5/15/17

499 505,238

Gates Global LLC / Gates Global Co., 5.75%, 7/15/22

EUR

110 140,227

Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21

USD

283 292,198  
MEG Energy Corp. (c):

6.50%, 3/15/21

3,601 3,799,055  
7.00%, 3/31/24

6,056 6,585,900  
Peabody Energy Corp.:

6.00%, 11/15/18

3,526 3,631,780  
6.25%, 11/15/21

2,174 2,165,847  
7.88%, 11/01/26

2,795 2,878,850  
Pioneer Energy Services Corp., 6.13%, 3/15/22 (c)

528 537,240  
Precision Drilling Corp.:

6.63%, 11/15/20

425 450,500  
5.25%, 11/15/24 (c)

4,147 4,147,000  
Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (c)

1,361 1,429,050

30,732,310  
**Food & Staples Retailing 0.8%**

Bakkavor Finance 2 PLC:



8.25%, 2/15/18

GBP

1,427 2,511,177  
8.75%, 6/15/20

795 1,432,004  
Brakes Capital, 7.13%, 12/15/18

830 1,395,287  
Labeyrie Fine Foods SAS, 5.63%, 3/15/21

EUR

250 341,627  
Premier Foods Finance PLC, 6.50%, 3/15/21

GBP

159 258,685  
R&R Ice Cream PLC:

4.75%, 5/15/20

EUR

745 978,893  
5.50%, 5/15/20

GBP

200 327,069  
9.25%, 5/15/18 (e)

EUR

823 1,103,959  
Rite Aid Corp.:

9.25%, 3/15/20

USD

2,080 2,329,600  
6.75%, 6/15/21

2,283 2,422,834

13,101,135

**Food Products 0.7%**

Boparan Finance PLC:

5.25%, 7/15/19

GBP

405 643,913

4.38%, 7/15/21

EUR

440 555,047

5.50%, 7/15/21

GBP

625 984,523

Findus Bondco SA:

9.13%, 7/01/18

EUR

830 1,183,278

9.50%, 7/01/18

GBP

465 833,728

JBS Investments GmbH, 7.75%, 10/28/20 (c)

USD

2,638 2,849,040

Smithfield Foods, Inc.:

5.88%, 8/01/21 (c)

891 953,370

6.63%, 8/15/22

2,626 2,888,600

Univeg Holding BV, 7.88%, 11/15/20

EUR

595 773,982

11,665,481

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**

**Health Care Equipment & Supplies 0.7%**

3AB Optique Developpement SAS, 5.63%, 4/15/19

EUR

900 \$ 1,141,166

Biomet, Inc., 6.50%, 10/01/20

USD

2,801 2,986,566

DJO Finance LLC/DJO Finance Corp., 8.75%, 3/15/18

2,106 2,237,625

Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (c)

1,580 1,714,300

IDH Finance PLC:

6.00%, 12/01/18

GBP

614 1,060,106

6.00%, 12/01/18 (c)

200 345,311

Teleflex, Inc., 6.88%, 6/01/19

USD

1,635 1,729,012

11,214,086

**Health Care Providers & Services 5.8%**

Acadia Healthcare Co., Inc., 5.13%, 7/01/22 (c)

1,145 1,156,450

Alere, Inc.:

7.25%, 7/01/18

802 846,110

8.63%, 10/01/18

2,834 2,975,700  
Amsurg Corp., 5.63%, 7/15/22 (c)

4,868 4,977,530  
Care UK Health & Social Care PLC, 5.56%, 7/15/19

GBP  
1,253 2,028,164  
CHS/Community Health Systems, Inc.:

5.13%, 8/15/18

USD  
4,465 4,643,600  
6.88%, 2/01/22 (c)

4,448 4,726,000  
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)

EUR  
1,907 2,632,451  
Crown Newco 3 PLC, 7.00%, 2/15/18

GBP  
294 508,584  
DaVita HealthCare Partners, Inc., 5.13%, 7/15/24

USD  
5,166 5,240,261  
HCA Holdings, Inc., 7.75%, 5/15/21

2,666 2,905,940  
HCA, Inc.:

3.75%, 3/15/19

2,911 2,932,833  
6.50%, 2/15/20

9,730 10,885,437  
5.88%, 3/15/22

3,565 3,876,937  
4.75%, 5/01/23

1,487 1,500,011  
5.88%, 5/01/23

4,096 4,362,240  
5.00%, 3/15/24

1,250 1,273,438  
Hologic, Inc., 6.25%, 8/01/20

6,719 7,088,545  
Kindred Healthcare, Inc., 6.38%, 4/15/22 (c)

931 940,310  
MPH Acquisition Holdings LLC, 6.63%, 4/01/22 (c)

1,280 1,339,200  
Omnicare, Inc., 3.75%, 4/01/42 (f)

1,722 2,750,895  
Priory Group No. 3 PLC, 7.00%, 2/15/18 (c)

GBP  
2,017 3,489,162  
Symbion, Inc., 8.00%, 6/15/16

USD  
1,915 1,993,994  
Tenet Healthcare Corp.:

6.25%, 11/01/18

1,308 1,425,720  
5.00%, 3/01/19 (c)

4,753 4,812,412  
4.75%, 6/01/20

2,575 2,620,063

6.00%, 10/01/20

3,835 4,160,975  
4.50%, 4/01/21

74 74,185  
4.38%, 10/01/21

4,005 3,974,962  
8.13%, 4/01/22

4,192 4,826,040  
Voyage Care Bondco PLC, 6.50%, 8/01/18

GBP  
786 1,344,025

98,312,174  
**Health Care Technology 0.0%**

IMS Health, Inc., 6.00%, 11/01/20 (c)

USD  
795 835,744  
**Hotels, Restaurants & Leisure 4.2%**  
Caesars Entertainment Operating Co., Inc., 9.00%, 2/15/20

27,170 21,754,656  
Carlson Travel Holdings, Inc., (7.50% Cash or 8.25% PIK), 7.50%, 8/15/19 (c)(e)

654 671,985  
CDW LLC/CDW Finance Corp., 6.00%, 8/15/22

1,325 1,396,219  
Cedar Funding Ltd., 5.38%, 6/01/24 (c)

1,070 1,075,350  
Cirsa Funding Luxembourg SA, 8.75%, 5/15/18

EUR  
3,382 4,599,311

Enterprise Funding Ltd., Series ETI, 3.50%, 9/10/20 (f)

GBP

400 675,681

Enterprise Inns PLC, 6.50%, 12/06/18

1,598 2,833,054

Gamenet SpA, 7.25%, 8/01/18

EUR

1,255 1,698,642

Gategroup Finance Luxembourg SA, 6.75%, 3/01/19

2,164 3,002,902

**Corporate Bonds Par  
(000) Value**

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

GLP Capital LP/GLP Financing II, Inc., 4.38%, 11/01/18

USD

894 \$ 927,525

Greektown Holdings LLC/Greektown Mothership Corp., 8.88%, 3/15/19 (c)

1,220 1,250,500

Intralot Capital Luxembourg SA, 6.00%, 5/15/21

EUR

713 939,188

Intralot Finance Luxembourg SA, 9.75%, 8/15/18

2,140 3,184,423

MCE Finance Ltd., 5.00%, 2/15/21 (c)

USD

3,339 3,322,305

Regal Entertainment Group, 5.75%, 2/01/25

489 490,223

Six Flags Entertainment Corp., 5.25%, 1/15/21 (c)

3,247 3,287,587

Snai SpA, 7.63%, 6/15/18



EUR

1,025 1,451,176  
Station Casinos LLC, 7.50%, 3/01/21

USD

5,095 5,502,600  
Travelport LLC/Travelport Holdings, Inc. (c):

6.36%, 3/01/16 (d)

473 473,108  
11.88%, 9/01/16

188 188,122  
(11.38% Cash or 2.50% PIK), 13.88%, 3/01/16 (e)

5,152 5,178,074  
Tropicana Entertainment LLC/Tropicana Finance Corp., 9.63%, 12/15/14 (a)(h)

1,850  
The Unique Pub Finance Co. PLC, Series A3, 6.54%, 3/30/21

GBP

2,208 3,858,057  
Vougeot Bidco PLC, 7.88%, 7/15/20

920 1,596,130  
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 5.38%, 3/15/22

USD

689 723,450  
Wynn Macau Ltd., 5.25%, 10/15/21 (c)

2,425 2,467,438

72,547,706

**Household Durables 2.7%**

Ashton Woods USA LLC/Ashton Woods Finance Co., 6.88%, 2/15/21 (c)

1,262 1,246,225  
Beazer Homes USA, Inc.:

6.63%, 4/15/18

215 227,362  
5.75%, 6/15/19

3,638 3,610,715  
7.50%, 9/15/21

2,710 2,845,500  
Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (c)

2,275 2,414,344  
Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (c)

1,604 1,662,145  
K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (c)

4,360 4,687,000  
PulteGroup, Inc., 6.38%, 5/15/33

1,050 1,050,000  
The Ryland Group, Inc., 6.63%, 5/01/20

1,900 2,033,000  
Spie BondCo 3 SCA, 11.00%, 8/15/19

EUR  
878 1,286,387  
Standard Pacific Corp.:

10.75%, 9/15/16

USD  
6,920 8,061,800  
8.38%, 1/15/21

4,270 5,017,250  
Taylor Morrison Communities, Inc./Monarch Communities, Inc. (c):

7.75%, 4/15/20

1,650 1,786,125  
5.25%, 4/15/21

1,484 1,498,840  
Weyerhaeuser Real Estate Co. (c):

4.38%, 6/15/19

2,270 2,270,000  
5.88%, 6/15/24

1,540 1,570,800  
William Lyon Homes, Inc., 8.50%, 11/15/20

4,579 5,059,795

46,327,288  
**Household Products 0.4%**

Ontex IV SA, 9.00%, 4/15/19

EUR  
1,163 1,640,028  
Spectrum Brands, Inc.:

6.75%, 3/15/20

USD  
535 569,775  
6.38%, 11/15/20

2,125 2,284,375  
6.63%, 11/15/22

1,385 1,499,263

5,993,441  
**Independent Power and Renewable Electricity Producers 1.8%**  
Baytex Energy Corp. (c):

5.13%, 6/01/21

944 945,180  
5.63%, 6/01/24

335 335,000

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**

**Independent Power and Renewable Electricity Producers (concluded)**

Calpine Corp.:

6.00%, 1/15/22 (c)

USD

676 \$ 728,390

5.38%, 1/15/23

5,099 5,149,990

5.88%, 1/15/24 (c)

1,999 2,138,930

5.75%, 1/15/25

5,394 5,447,940

NRG Energy, Inc.:

7.63%, 1/15/18

7,493 8,437,118

6.25%, 5/01/24 (c)

3,606 3,723,195

NRG REMA LLC:

Series B, 9.24%, 7/02/17

117 125,097

Series C, 9.68%, 7/02/26

1,400 1,526,000

QEP Resources, Inc., 5.38%, 10/01/22

1,843 1,886,771

30,443,611

**Insurance 1.2%**

A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (c)

6,232 6,637,080

CNO Financial Group, Inc., 6.38%, 10/01/20 (c)

1,244 1,331,080

Galaxy Bidco Ltd., 6.38%, 11/15/20

GBP

600 994,845

Hockey Merger Sub 2, Inc., 7.88%, 10/01/21 (c)

USD

3,920 4,125,800

MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)

3,650 3,896,375

Pension Insurance Corp. PLC, 6.50%, 7/03/24

GBP

775 1,325,833

TMF Group Holding BV, 9.88%, 12/01/19

EUR

1,140 1,621,780

19,932,793

**Internet Software & Services 0.4%**

Bankrate, Inc., 6.13%, 8/15/18 (c)

USD

1,128 1,161,840

Cerved Group SpA:

6.38%, 1/15/20

EUR

601 842,988

8.00%, 1/15/21

400 581,291

Interactive Data Corp., 5.88%, 4/15/19 (c)

USD

4,101 4,085,621

6,671,740

**IT Services 4.7%**

Ceridian Corp., 8.88%, 7/15/19 (c)

10,750 12,040,000

Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (c)

13,854 15,828,195

Ceridian LLC/Comdata, Inc., 8.13%, 11/15/17 (c)

6,190 6,273,565

Epicor Software Corp., 8.63%, 5/01/19

3,077 3,300,083

First Data Corp.:

7.38%, 6/15/19 (c)

8,670 9,255,225

8.88%, 8/15/20 (c)

2,745 2,992,050

6.75%, 11/01/20 (c)

4,293 4,647,172

8.25%, 1/15/21 (c)

1,394 1,519,460

10.63%, 6/15/21

2,111 2,448,760

11.75%, 8/15/21

5,966 7,054,795

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(8.75% Cash or 10.00% PIK), 8.75%, 1/15/22 (c)(e)

365 399,675  
SunGard Data Systems, Inc.:

7.38%, 11/15/18

3,100 3,239,500  
6.63%, 11/01/19

7,950 8,327,625  
WEX, Inc., 4.75%, 2/01/23 (c)

2,728 2,618,880

79,944,985  
**Machinery 0.2%**

Galapagos Holding SA, 7.00%, 6/15/22

EUR  
475 610,502  
Galapagos SA, 5.38%, 6/15/21

325 431,304  
Selecta Group BV, 6.50%, 6/15/20

1,060 1,442,105  
SPX Corp., 6.88%, 9/01/17

USD  
980 1,080,450

3,564,361  
**Media 10.4%**

Adria Bidco BV, 7.88%, 11/15/20

EUR  
600 842,965  
Altice Financing SA, 6.50%, 1/15/22 (c)



USD

2,410 2,536,525

Altice SA:

7.25%, 5/15/22

EUR

2,010 2,800,373

7.75%, 5/15/22 (c)

USD

2,645 2,810,312

AMC Networks, Inc.:

7.75%, 7/15/21

1,250 1,379,688

4.75%, 12/15/22

1,613 1,633,163

Cablevision Systems Corp., 5.88%, 9/15/22

3,070 3,116,050

**Corporate Bonds Par**

**(000) Value**

**Media (continued)**

CBS Outdoor Americas Capital LLC/CBS Outdoor Americas Capital Corp. (c):

5.25%, 2/15/22

USD

650 \$ 664,625

5.63%, 2/15/24

983 1,012,490

CCO Holdings LLC/CCO Holdings Capital Corp.:

5.25%, 9/30/22

3,986 4,045,790

5.13%, 2/15/23

4,230 4,208,850  
Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)(c)(h)

3,439  
Clear Channel Communications, Inc.:

9.00%, 12/15/19

3,789 3,921,615  
9.00%, 3/01/21

1,407 1,459,763  
Clear Channel Worldwide Holdings, Inc.:

7.63%, 3/15/20

4,069 4,353,830  
6.50%, 11/15/22

11,724 12,530,445  
Clearwire Communications LLC/Clearwire Finance, Inc., 8.25%, 12/01/40 (c)(f)

4,706 5,341,310  
Columbus International, Inc., 7.38%, 3/30/21 (c)

3,455 3,761,631  
DISH DBS Corp.:

4.25%, 4/01/18

3,209 3,285,214  
5.13%, 5/01/20

4,652 4,768,300  
DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (c)

901 955,060  
Gannett Co., Inc.:

5.13%, 10/15/19 (c)

857 878,425  
5.13%, 7/15/20

506 517,385  
6.38%, 10/15/23 (c)

1,314 1,396,125  
Gray Television, Inc., 7.50%, 10/01/20

1,743 1,838,865  
Harron Communications LP/Harron Finance Corp., 9.13%, 4/01/20 (c)

4,510 5,062,475  
Inmarsat Finance PLC, 4.88%, 5/15/22 (c)

2,805 2,812,012  
Intelsat Jackson Holdings SA:  
6.63%, 12/15/22

1,040 1,086,800  
5.50%, 8/01/23

5,015 4,996,194  
Intelsat Luxembourg SA, 6.75%, 6/01/18

5,500 5,761,250  
Level 3 Escrow II, Inc., 5.38%, 8/15/22 (c)

4,875 4,899,375  
Live Nation Entertainment, Inc., 7.00%, 9/01/20 (c)

987 1,063,493  
The McClatchy Co., 9.00%, 12/15/22

1,934 2,175,750  
Midcontinent Communications & Midcontinent Finance Corp., 6.25%, 8/01/21 (c)

3,901 4,027,782  
NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (c)

2,039 2,095,072  
NBCUniversal Enterprise, Inc., 5.25% (c)(g)

400 417,000  
Nexstar Broadcasting, Inc., 6.88%, 11/15/20

1,023 1,084,380  
Nielsen Finance LLC/Nielsen Finance Co., 5.00%, 4/15/22 (c)

1,545 1,560,450  
Numericable Group SA:  
5.38%, 5/15/22

EUR  
890 1,239,463  
6.00%, 5/15/22 (c)

USD  
7,205 7,421,150  
5.63%, 5/15/24

EUR  
1,785 2,483,240  
6.25%, 5/15/24 (c)

USD  
1,285 1,325,156  
Play Finance 2 SA, 5.25%, 2/01/19

EUR  
1,070 1,465,678  
ProQuest LLC/ProQuest Notes Co., 9.00%, 10/15/18 (c)

USD  
1,009 1,049,360  
Radio One, Inc., 9.25%, 2/15/20 (c)

2,686 2,793,440  
RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (c)

1,450 1,547,875  
Sinclair Television Group, Inc., 5.63%, 8/01/24 (c)

1,789 1,784,528  
Sirius XM Holdings, Inc. (c):

4.25%, 5/15/20

2,309 2,262,820  
5.75%, 8/01/21

1,811 1,883,440  
Sterling Entertainment Corp., 10.00%, 12/15/19

4,810 4,906,200  
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:

7.50%, 3/15/19

EUR  
4,494 6,276,309  
5.50%, 1/15/23 (c)

USD  
2,550 2,607,375  
5.63%, 4/15/23

EUR  
208 295,911

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**  
**Media (concluded)**

Unitymedia KabelBW GmbH:

9.63%, 12/01/19

EUR

100 \$ 139,794

9.50%, 3/15/21

2,061 3,053,327

Univision Communications, Inc. (c):

8.50%, 5/15/21

USD

1,597 1,748,715

5.13%, 5/15/23

3,720 3,896,700

UPCB Finance II Ltd., 6.38%, 7/01/20 (c)

EUR

4,437 6,171,167

Virgin Media Secured Finance PLC, 6.00%, 4/15/21

GBP

5,502 9,556,603

VTR Finance BV, 6.88%, 1/15/24 (c)

USD

1,727 1,852,208

Wave Holdco LLC/Wave Holdco Corp., 8.25%, 7/15/19 (c)(f)

2,710 2,784,525

WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (c)

2,248 2,450,320

178,096,136

**Metals & Mining 3.5%**

Arch Coal, Inc.:

7.00%, 6/15/19

1,614 1,149,975

7.25%, 10/01/20

678 471,210

7.25%, 6/15/21

500 331,250

Constellium NV:

4.63%, 5/15/21

EUR

1,270 1,735,465

5.75%, 5/15/24 (c)

USD

3,385 3,520,400

Eco-Bat Finance PLC, 7.75%, 2/15/17

EUR

2,090 2,814,809

First Quantum Minerals Ltd. (c):

6.75%, 2/15/20

USD

1,954 2,027,275

7.25%, 5/15/22

583 615,065

Global Brass & Copper, Inc., 9.50%, 6/01/19

4,660 5,236,675

Imperial Metals Corp., 7.00%, 3/15/19 (c)

230 216,775

Kaiser Aluminum Corp., 8.25%, 6/01/20

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1,240 1,384,150  
New Gold, Inc., 6.25%, 11/15/22 (c)

112 117,600  
Novelis, Inc., 8.75%, 12/15/20

12,130 13,418,813  
Ovako AB, 6.50%, 6/01/19

EUR  
935 1,240,829  
Peabody Energy Corp., 6.50%, 9/15/20

USD  
1,505 1,514,406  
Peninsula Energy Ltd., 11.00%, 12/14/14

2,800 2,800,000  
Perstorp Holding AB, 8.75%, 5/15/17 (c)

990 1,056,825  
Ryerson, Inc./Joseph T Ryerson & Son, Inc., 9.00%, 10/15/17

1,740 1,853,100  
Steel Dynamics, Inc.:  
6.38%, 8/15/22

1,345 1,439,150  
5.25%, 4/15/23

1,168 1,185,520  
ThyssenKrupp AG, 3.13%, 10/25/19

EUR  
2,040 2,803,732  
Vedanta Resources PLC, 8.25%, 6/07/21 (c)

USD  
1,565 1,760,625  
Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (c)

10,804 11,668,320



60,361,969

**Multiline Retail 1.1%**

CST Brands, Inc., 5.00%, 5/01/23

2,083 2,083,000

Debenhams PLC, 5.25%, 7/15/21

GBP

1,155 1,898,299

Dufry Finance SCA:

5.50%, 10/15/20 (c)

USD

1,927 2,004,176

4.50%, 7/15/22

EUR

670 918,580

Hema Bondco I BV, 6.25%, 6/15/19

2,105 2,791,820

The Neiman Marcus Group Ltd., 8.00%, 10/15/21 (c)

USD

7,817 8,432,589

18,128,464

**Oil, Gas & Consumable Fuels 13.4%**

Access Midstream Partners LP/ACMP Finance Corp.:

5.88%, 4/15/21

1,325 1,407,812

6.13%, 7/15/22

1,520 1,653,000

4.88%, 5/15/23

3,612 3,801,630

4.88%, 3/15/24

1,861 1,956,841  
American Energy-Permian Basin LLC/AEPB Finance Corp. (c):

7.13%, 11/01/20

1,700 1,649,000  
7.38%, 11/01/21

1,455 1,418,625

**Corporate Bonds Par  
(000) Value**

**Oil, Gas & Consumable Fuels (continued)**

Antero Resources Finance Corp., 5.38%, 11/01/21

USD

1,942 \$ 2,000,260  
Athlon Holdings LP/Athlon Finance Corp.:

7.38%, 4/15/21

1,053 1,142,505  
6.00%, 5/01/22 (c)

2,032 2,092,960  
Berry Petroleum Co., 6.38%, 9/15/22

1,755 1,829,587  
Bonanza Creek Energy, Inc.:

6.75%, 4/15/21

637 668,850  
5.75%, 2/01/23

3,616 3,652,160  
BreitBurn Energy Partners LP/BreitBurn Finance Corp., 7.88%, 4/15/22

1,420 1,505,200

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Carrizo Oil & Gas, Inc., 7.50%, 9/15/20

1,321 1,413,470  
Chaparral Energy, Inc., 7.63%, 11/15/22

1,220 1,309,975  
Chesapeake Energy Corp.:

6.63%, 8/15/20

1,632 1,880,880  
6.88%, 11/15/20

1,641 1,903,560  
6.13%, 2/15/21

524 593,430  
5.75%, 3/15/23

1,863 2,079,574  
Cimarex Energy Co., 4.38%, 6/01/24

1,349 1,404,646  
Concho Resources, Inc.:

7.00%, 1/15/21

465 505,688  
5.50%, 10/01/22

2,016 2,157,120  
5.50%, 4/01/23

2,253 2,405,077  
CONSOL Energy, Inc., 5.88%, 4/15/22 (c)

11,028 11,524,260  
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., 6.13%, 3/01/22

1,207 1,249,245  
CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (c)

3,710 3,830,575  
Denbury Resources, Inc.:

5.50%, 5/01/22

1,481 1,518,025  
4.63%, 7/15/23

1,745 1,683,925  
Diamondback Energy, Inc., 7.63%, 10/01/21 (c)

2,449 2,681,655  
El Paso LLC:

7.80%, 8/01/31

2,547 3,158,280  
7.75%, 1/15/32

5,669 7,100,422  
Energy Transfer Equity LP, 5.88%, 1/15/24

7,967 8,415,144  
Energy XXI Gulf Coast, Inc.:

9.25%, 12/15/17

2,600 2,756,000  
7.75%, 6/15/19

2,025 2,116,125  
6.88%, 3/15/24 (c)

1,141 1,160,968  
EnQuest PLC, 7.00%, 4/15/22 (c)

1,206 1,212,030

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EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19

518 546,490

EV Energy Partners LP/EV Energy Finance Corp., 8.00%, 4/15/19

820 848,700

EXCO Resources, Inc., 7.50%, 9/15/18

1,290 1,277,100

Gulfport Energy Corp., 7.75%, 11/01/20 (c)

1,041 1,119,075

Halcon Resources Corp.:

9.75%, 7/15/20

2,146 2,312,315

8.88%, 5/15/21

4,236 4,458,390

9.25%, 2/15/22

1,257 1,349,704

Hilcorp Energy I LP/Hilcorp Finance Co. (c):

7.63%, 4/15/21

1,472 1,586,080

5.00%, 12/01/24

2,448 2,441,880

Ithaca Energy, Inc., 8.13%, 7/01/19 (c)

1,660 1,678,675

Jones Energy Holdings LLC/Jones Energy Finance Corp., 6.75%, 4/01/22 (c)

1,400 1,477,000

Kinder Morgan, Inc. (c):

5.00%, 2/15/21

1,130 1,209,100  
5.63%, 11/15/23

1,146 1,263,465  
Kodiak Oil & Gas Corp., 5.50%, 2/01/22

892 941,060  
Laredo Petroleum, Inc., 7.38%, 5/01/22

3,065 3,356,175  
Legacy Reserves LP/Legacy Reserves Finance Corp.:  
6.63%, 12/01/21

843 853,538  
6.63%, 12/01/21 (c)

1,390 1,407,375  
Lightstream Resources Ltd., 8.63%, 2/01/20 (c)

1,441 1,491,435

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**

**Oil, Gas & Consumable Fuels (continued)**

Linn Energy LLC/Linn Energy Finance Corp.:

6.50%, 5/15/19

USD

243 \$ 250,138

6.25%, 11/01/19

1,904 1,965,880

8.63%, 4/15/20

4,564 4,872,070

7.75%, 2/01/21

365 388,725

MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:

6.25%, 6/15/22

674 724,550

4.50%, 7/15/23

1,720 1,747,950

Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21

1,091 1,131,913

Memorial Resource Development Corp., 5.88%, 7/01/22 (c)

3,644 3,698,660

Newfield Exploration Co., 6.88%, 2/01/20

4,325 4,541,250

NGPL PipeCo LLC (c):

7.12%, 12/15/17

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3,130 3,239,550  
9.63%, 6/01/19

891 973,418  
Northern Oil and Gas, Inc., 8.00%, 6/01/20

835 876,750  
Oasis Petroleum, Inc., 6.50%, 11/01/21

1,625 1,734,687  
Offshore Group Investment Ltd., 7.50%, 11/01/19

2,521 2,577,722  
Pacific Drilling SA, 5.38%, 6/01/20 (c)

2,069 2,017,275  
Parsley Energy LLC/Parsley Finance Corp., 7.50%, 2/15/22 (c)

4,536 4,808,160  
PDC Energy, Inc., 7.75%, 10/15/22

995 1,089,525  
Penn Virginia Corp., 8.50%, 5/01/20

2,035 2,238,500  
Petrobras Global Finance BV, 3.00%, 1/15/19

1,927 1,898,808  
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)

3,816 4,025,880  
QEP Resources, Inc., 5.25%, 5/01/23

800 810,000  
Range Resources Corp.:  
6.75%, 8/01/20

658 704,060



5.75%, 6/01/21

568 606,340  
5.00%, 8/15/22

530 563,788  
5.00%, 3/15/23

1,193 1,267,562  
Regency Energy Partners LP/Regency Energy Finance Corp.:

5.75%, 9/01/20

628 675,100  
4.50%, 11/01/23

2,835 2,856,262  
RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (c)

460 494,500  
Rockies Express Pipeline LLC, 6.00%, 1/15/19 (c)

2,524 2,681,750  
Rose Rock Midstream LP/Rose Rock Finance Corp., 5.63%, 7/15/22 (c)

1,747 1,781,940  
Rosetta Resources, Inc.:

5.63%, 5/01/21

256 262,080  
5.88%, 6/01/24

1,007 1,024,623  
Sabine Pass Liquefaction LLC:

5.63%, 4/15/23

1,908 1,984,320  
5.63%, 4/15/23 (c)

3,087 3,210,480  
5.75%, 5/15/24 (c)

3,005 3,125,200  
Sabine Pass LNG LP, 7.50%, 11/30/16

8,155 8,858,369  
Sanchez Energy Corp., 6.13%, 1/15/23 (c)

2,942 3,044,970  
SandRidge Energy, Inc.:  
8.75%, 1/15/20

141 148,050  
7.50%, 3/15/21

350 367,500  
7.50%, 2/15/23

1,378 1,433,120  
Seven Generations Energy Ltd., 8.25%, 5/15/20 (c)

5,098 5,607,800  
Seventy Seven Energy, Inc., 6.50%, 7/15/22 (c)

1,133 1,166,990  
Seventy Seven Operating LLC, 6.63%, 11/15/19

2,269 2,427,830  
SM Energy Co.:  
6.63%, 2/15/19

1,174 1,226,830  
6.50%, 1/01/23

951 1,031,835

Summit Midstream Holdings LLC/Summit Midstream Finance Corp.:

7.50%, 7/01/21

1,566 1,722,600

5.50%, 8/15/22

1,711 1,745,220

**Corporate Bonds Par  
(000) Value**

**Oil, Gas & Consumable Fuels (concluded)**

Targa Resources Partners LP/Targa Resources Partners Finance Corp., 6.38%, 8/01/22

USD

3,852 \$ 4,179,420

Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20

673 704,968

Triangle USA Petroleum Corp., 6.75%, 7/15/22 (c)

1,057 1,080,783

Ultra Petroleum Corp., 5.75%, 12/15/18 (c)

2,596 2,680,370

Vanguard Natural Resources LLC/VNR Finance Corp., 7.88%, 4/01/20

1,500 1,593,750

Whiting Petroleum Corp.:

5.00%, 3/15/19

1,770 1,867,350

5.75%, 3/15/21

1,837 2,016,107

The Williams Cos., Inc., 4.55%, 6/24/24

940 946,616

229,155,955

**Paper & Forest Products 0.2%**

Clearwater Paper Corp., 4.50%, 2/01/23

245 237,650

Mercer International, Inc., 9.50%, 12/01/17

1,175 1,246,969

NewPage Corp., 11.38%, 12/31/14 (a)(h)

10,925 1

Pfleiderer GmbH, 7.88%, 8/01/19

EUR

530 691,170

Unifrax I LLC/Unifrax Holding Co., 7.50%, 2/15/19 (c)

USD

1,335 1,375,050

3,550,840

**Pharmaceuticals 2.1%**

Endo Finance LLC/Endo Finco, Inc. (c):

7.25%, 1/15/22

696 754,290

5.38%, 1/15/23

1,070 1,067,325

Grifols Worldwide Operations Ltd., 5.25%, 4/01/22 (c)

4,047 4,158,292

Jaguar Holding Co. I, (9.38% Cash or 10.13% PIK), 9.38%, 10/15/17 (c)(e)

1,320 1,357,950

Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (c)

3,596 3,910,650

Mallinckrodt International Finance SA, 5.75%, 8/01/22 (c)

4,760 4,861,150  
Pinnacle Merger Sub, Inc., 9.50%, 10/01/23 (c)

755 828,613  
Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (c)

1,162 1,260,770  
Valeant Pharmaceuticals International, Inc. (c):

6.75%, 8/15/18

9,461 10,123,270  
6.38%, 10/15/20

2,970 3,107,363  
7.50%, 7/15/21

1,375 1,498,750  
6.75%, 8/15/21

2,241 2,355,851

35,284,274  
**Professional Services 0.2%**

Truven Health Analytics, Inc., 10.63%, 6/01/20

2,840 3,053,000  
**Real Estate Investment Trusts (REITs) 0.6%**  
Felcor Lodging LP:

6.75%, 6/01/19

5,386 5,682,230  
5.63%, 3/01/23

1,422 1,439,775  
Host Hotels & Resorts LP, 2.50%, 10/15/29 (c)(e)

815 1,425,741  
iStar Financial, Inc.:

4.00%, 11/01/17

685 681,575  
5.00%, 7/01/19

480 480,000  
Rayonier AM Products, Inc., 5.50%, 6/01/24 (c)

414 405,720

10,115,041

**Real Estate Management & Development 1.5%**

Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (c)

4,515 4,966,500  
The Howard Hughes Corp., 6.88%, 10/01/21 (c)

1,369 1,449,429  
Realogy Corp. (c):

7.63%, 1/15/20

842 917,780  
9.00%, 1/15/20

1,269 1,418,108  
Realogy Group LLC/Realogy Co-Issuer Corp., 4.50%, 4/15/19 (c)

5,542 5,542,000  
Rialto Holdings LLC/Rialto Corp., 7.00%, 12/01/18 (c)

1,065 1,107,600  
RPG Byty Sro, 6.75%, 5/01/20

EUR

1,146 1,550,960

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**

**Real Estate Management & Development (concluded)**

Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19

USD

6,320 \$ 6,825,600

Woodside Homes Co. LLC/Woodside Homes Finance, Inc., 6.75%, 12/15/21 (c)

2,305 2,322,287

26,100,264

**Road & Rail 1.0%**

EC Finance PLC, 5.13%, 7/15/21

EUR

675 902,109

Florida East Coast Holdings Corp. (c):

6.75%, 5/01/19

USD

3,372 3,557,460

9.75%, 5/01/20

1,520 1,607,400

The Hertz Corp.:

7.50%, 10/15/18

3,220 3,360,875

6.75%, 4/15/19

1,615 1,693,731

5.88%, 10/15/20

370 380,638

7.38%, 1/15/21



2,360 2,525,200  
6.25%, 10/15/22

1,475 1,537,687  
Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (c)

1,093 1,117,593

16,682,693  
**Semiconductors & Semiconductor Equipment 0.5%**  
Micron Technology, Inc., 5.50%, 2/01/25 (c)

4,645 4,703,063  
NXP BV/NXP Funding LLC (c):

3.75%, 6/01/18

2,235 2,246,175  
5.75%, 2/15/21

2,065 2,168,250

9,117,488  
**Software 1.7%**

Audatex North America, Inc., 6.13%, 11/01/23 (c)

1,350 1,431,000  
BMC Software Finance, Inc., 8.13%, 7/15/21 (c)

2,672 2,698,720  
Igloo Holdings Corp., (8.25% Cash or 9.00% PIK), 8.25%, 12/15/17 (c)(e)

1,636 1,676,900  
Infor Software Parent LLC/Infor Software Parent, Inc., (7.13% Cash or 7.88% PIK), 7.13%, 5/01/21 (c)(e)

4,891 4,976,592  
Infor US, Inc., 9.38%, 4/01/19

9,815 10,796,500  
Nuance Communications, Inc., 5.38%, 8/15/20 (c)

5,035 5,060,175  
Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (c)  
2,437 2,650,238

29,290,125  
**Specialty Retail 1.9%**

Asbury Automotive Group, Inc., 8.38%, 11/15/20

2,030 2,222,850  
DriveTime Automotive Group, Inc./DT Acceptance Corp., 8.00%, 6/01/21 (c)

2,028 2,043,210  
The Hillman Group, Inc., 6.38%, 7/15/22 (c)

1,438 1,434,405  
House of Fraser Funding PLC, 8.88%, 8/15/18 (c)

GBP  
1,532 2,709,279  
L Brands, Inc., 8.50%, 6/15/19

USD  
3,925 4,729,625  
Magnolia BC SA, 9.00%, 8/01/20

EUR  
1,077 1,425,822  
New Look Bondco I PLC, 8.75%, 5/14/18

GBP  
438 770,775  
Party City Holdings, Inc., 8.88%, 8/01/20

USD  
3,489 3,846,622  
PC Nextco Holdings LLC/PC Nextco Finance, Inc., (8.75% Cash or 9.50% PIK), 8.75%, 8/15/19 (c)(e)

1,575 1,618,313  
Penske Automotive Group, Inc., 5.75%, 10/01/22

1,775 1,837,125

QVC, Inc. (c):

7.50%, 10/01/19

3,180 3,319,475

7.38%, 10/15/20

1,640 1,753,012

Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22

2,359 2,488,745

THOM Europe SAS, 7.38%, 7/15/19

EUR

1,190 1,528,419

Twin Set-Simona Barbieri SpA, 6.08%, 7/15/19 (d)

649 820,861

32,548,538

**Textiles, Apparel & Luxury Goods 0.5%**

Levi Strauss & Co., 6.88%, 5/01/22

USD

2,430 2,642,625

Polymer Group, Inc., 6.88%, 6/01/19 (c)

900 910,125

PVH Corp., 4.50%, 12/15/22

1,401 1,390,492

Springs Industries, Inc., 6.25%, 6/01/21

2,777 2,790,885

The William Carter Co., 5.25%, 8/15/21

1,398 1,460,910

9,195,037

**Corporate Bonds Par**

**(000) Value**

**Thriffs & Mortgage Finance 0.1%**

Radian Group, Inc.:

3.00%, 11/15/17 (f)

USD

330 \$ 466,125

2.25%, 3/01/19 (f)

712 1,042,190

5.50%, 6/01/19

926 944,520

2,452,835

**Trading Companies & Distributors 0.3%**

Ashtead Capital, Inc., 6.50%, 7/15/22 (c)

4,976 5,411,400

**Transportation Infrastructure 0.4%**

Aguila 3 SA:

7.88%, 1/31/18 (c)

3,894 4,049,760

7.88%, 1/31/18

150 156,000

JCH Parent, Inc., (10.50% Cash or 11.25% PIK), 10.50%, 3/15/19 (c)(e)

2,553 2,540,235

6,745,995

**Wireless Telecommunication Services 5.5%**

Crown Castle International Corp., 5.25%, 1/15/23

4,871 5,030,818  
Digicel Group Ltd., (c):

8.25%, 9/30/20

3,495 3,774,600  
7.13%, 4/01/22

6,215 6,448,062  
Digicel Ltd., 6.00%, 4/15/21 (c)

7,619 7,847,570  
The Geo Group, Inc., 5.88%, 1/15/22

2,220 2,269,950  
Phones4u Finance PLC:

9.50%, 4/01/18

GBP  
1,694 2,875,572  
9.50%, 4/01/18 (c)

2,015 3,420,470  
SBA Communications Corp., 4.88%, 7/15/22 (c)

USD  
3,280 3,230,800  
Sprint Capital Corp., 8.75%, 3/15/32

1,330 1,482,950  
Sprint Communications, Inc. (c):

9.00%, 11/15/18

13,529 16,082,599  
7.00%, 3/01/20

6,812 7,595,380  
Sprint Corp. (c):

7.88%, 9/15/23

4,899 5,254,178  
7.13%, 6/15/24

4,577 4,668,540  
T-Mobile USA, Inc.:

6.63%, 4/28/21

5,880 6,188,700  
6.13%, 1/15/22

367 380,304  
6.73%, 4/28/22

6,145 6,482,975  
6.50%, 1/15/24

2,638 2,743,520  
Wind Acquisition Finance SA:

4.00%, 7/15/20

EUR  
4,549 6,007,044  
4.20%, 7/15/20 (d)

2,115 2,789,425

94,573,457  
**Total Corporate Bonds 104.5%**  
1,783,122,533

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**Floating Rate Loan Interests (d)**

**Air Freight & Logistics 0.2%**

CEVA Group PLC, Synthetic Line of Credit, 6.50%, 3/19/21

USD

1,149 1,108,486  
CEVA Intercompany BV, Dutch Term Loan, 6.50%, 3/19/21

1,208 1,179,874  
CEVA Logistics Canada ULC, Canadian Term Loan, 6.50%, 3/19/21

208 203,427  
CEVA Logistics U.S. Holdings, Inc., Term Loan, 6.50%, 3/19/21

1,667 1,627,412

4,119,199  
**Airlines 0.9%**

Delta Air Lines, Inc., 2018 Term Loan B1, 3.25%, 10/18/18

2,355 2,332,041  
Northwest Airlines, Inc.:  
2.18%, 3/10/17

5,315 5,169,162  
1.56%, 9/10/18

7,307 6,965,484

14,466,687  
**Auto Components 0.6%**

Gates Global, Inc., Term Loan B, 4.25%, 7/05/21

11,030 10,943,304

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Floating Rate Loan Interests (d) Par**  
**(000) Value**

**Building Products 0.1%**

Wilsonart LLC, Term Loan B, 4.00%, 10/31/19

USD

2,315 \$ 2,283,896

**Capital Markets 0.3%**

Affinion Group, Inc.:

2nd Lien Term Loan, 8.50%, 10/12/18

2,300 2,279,300

Term Loan B, 6.75%, 4/30/18

200 197,505

American Capital Holdings, Inc., 2017 Term Loan, 3.50%, 8/22/17

2,983 2,968,448

5,445,253

**Chemicals 0.1%**

Axalta Coating Systems US Holdings, Inc., Term Loan, 3.75%, 2/01/20

297 295,043

OXEA Finance LLC, 2nd Lien Term Loan, 8.25%, 7/15/20

1,615 1,617,697

1,912,740

**Commercial Services & Supplies 0.3%**

Brand Energy & Infrastructure Services, Inc., Term Loan B, 4.75%, 11/26/20

1,446 1,444,230

Catalent Pharma Solutions, Inc., Term Loan, 6.50%, 12/29/17



838 841,706  
Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19

2,633 2,610,823

4,896,759  
**Communications Equipment 1.0%**  
Amaya Holdings BV:

1st Lien Term Loan, 5.00%, 8/01/21

2,465 2,440,966  
2nd Lien Term Loan, 8.00%, 8/01/22

6,800 6,880,784  
Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.00%, 7/02/19

6,981 6,950,643

16,272,393  
**Construction Materials 0.3%**

HD Supply, Inc., Term Loan B, 4.00%, 6/28/18

4,827 4,800,237  
**Containers & Packaging 0.0%**

Tekni-Plex, Inc., Term Loan B, 4.75%, 8/25/19

383 381,157  
**Diversified Telecommunication Services 0.3%**  
Hawaiian Telcom Communications, Inc., Term  
Loan B, 5.00%, 6/06/19

2,962 2,974,665  
Level 3 Financing, Inc., 2019 Term Loan, 4.00%, 8/01/19

1,785 1,776,450

4,751,115

**Electric Utilities 0.5%**

American Energy Marcellus LLC, 1st Lien Term Loan, 5.25%, 8/04/20

1,919 1,920,425

American Energy Utica LLC, 2nd Lien Term Loan, 5.50%, 9/30/18

5,775 6,178,983

Sandy Creek Energy Associates LP, Term Loan B, 5.00%, 11/06/20

1,168 1,173,389

9,272,797

**Electrical Equipment 0.3%**

Texas Competitive Electric Holdings Co. LLC, DIP Term Loan, 3.75%, 5/05/16

5,613 5,645,863

**Energy Equipment & Services 0.1%**

Dynege Holdings, Inc., Term Loan B2, 4.00%, 4/23/20

995 993,090

**Food & Staples Retailing 0.0%**

Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20

600 606,498

**Health Care Providers & Services 0.3%**

CHS/Community Health Systems, Inc., Term Loan D, 4.25%, 1/27/21

3,616 3,623,315

Genesis HealthCare Corp., Term Loan B, 10.00%, 9/25/17

1,235 1,253,846

Surgery Center Holdings, Inc., 1st Lien Term Loan, 5.25%, 7/09/20 (k)

966 964,926

5,842,087

**Floating Rate Loan Interests (d) Par  
(000) Value**

**Hotels, Restaurants & Leisure 4.0%**

Bally Technologies, Inc., Term Loan B, 4.25%, 11/25/20

USD

1,903 \$ 1,899,242

Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20

2,336 2,318,452

Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20

6,186 6,193,972

Caesars Entertainment Operating Co., Inc.:

Extended Term Loan B6, 6.95%, 3/01/17

6,749 6,323,721

Term Loan B7, 9.75%, 3/01/17

6,803 6,570,644

Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%, 10/12/20

8,397 8,240,913

Diamond Resorts Corporation, Term Loan, 5.50%, 5/09/21

2,875 2,889,375

ESH Hospitality, Inc., Term Loan, 5.00%, 6/24/19

1,410 1,422,337

Hilton Worldwide Finance LLC, Term Loan B2, 3.50%, 10/26/20

3,241 3,219,659

La Quinta Intermediate Holdings LLC, Term Loan B, 4.00%, 4/14/21

5,545 5,536,120  
MGM Resorts International, Term Loan B, 3.50%, 12/20/19

1,774 1,761,914  
Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20

2,438 2,425,399  
Playa Resorts Holding BV, Term Loan B, 4.00%, 8/06/19

3,578 3,560,073  
Station Casinos LLC, Term Loan B, 4.25%, 3/02/20

4,920 4,900,277  
Travelport Finance (Luxembourg) Sarl, 2014 Term Loan B, 6.00%, 9/02/21 (k)

6,980 7,009,107  
Travelport LLC/Travelport Holdings, Inc.:  
2nd Lien PIK Term Loan 2, 4.00%, 12/01/16

2,558 2,557,551  
2nd Lien Term Loan 1, 9.50%, 1/29/16

547 557,224  
Refinancing Term Loan, 6.25%, 6/26/19

1,267 1,285,702

68,671,682  
**Independent Power and Renewable Electricity Producers 0.2%**  
Energy Future Intermediate Holding Co LLC, DIP Term Loan, 4.25%, 6/19/16

2,730 2,732,730  
**Industrial Conglomerates 0.4%**

Sequa Corp., Term Loan B, 5.25%, 6/19/17

6,384 6,244,162

**Insurance 0.1%**

Alliant Holdings I, Inc., Term Loan B, 4.25%, 12/20/19

1,654 1,643,914

**Internet Software & Services 0.2%**

Interactive Data Corp., 2014 Term Loan, 4.75%, 5/02/21

3,650 3,659,125

**IT Services 1.0%**

Ceridian LLC:

Term Loan B1, 4.16%, 5/09/17

806 804,636

Term Loan B2, 4.50%, 9/14/20

841 839,662

First Data Corp.:

2018 Extended Term Loan, 3.66%, 3/23/18

15,480 15,305,850

2018 Term Loan, 3.66%, 9/24/18

200 198,188

17,148,336

**Machinery 1.3%**

Gardner Denver, Inc.:

4.25%, 7/30/20

7,253 7,240,169

4.75%, 7/30/20

EUR

7,421 9,779,347

Hillman Group Inc. (The), Term Loan B, 4.50%, 6/30/21

USD

425 424,821

Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/21/20

2,894 2,873,694

Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19

1,139 1,133,442

21,451,473

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Floating Rate Loan Interests (d) Par  
(000) Value**

**Media 1.0%**

Cengage Learning Acquisitions, Inc.:

0.00%, 7/03/15 (a)(h)

USD

10,469 \$ 1

7.00%, 3/31/20

5,120 5,150,711

Charter Communications Operating LLC, Term Loan G, 4.25%, 7/24/21 (k)

4,030 4,052,689

Clear Channel Communications, Inc.:

Term Loan B, 3.81%, 1/29/16

747 741,681

Term Loan D, 6.91%, 1/30/19

4,098 4,035,163

Getty Images, Inc., Term Loan B, 4.75%, 10/18/19

75 70,926

Media General, Inc., Delayed Draw Term Loan B, 4.25%, 7/31/20

3,488 3,496,811

Tribune Co., 2013 Term Loan, 4.00%, 12/27/20

225 224,935

17,772,917

**Metals & Mining 0.3%**

FMG Resources (August 2006) Property Ltd., Term Loan B, 3.75%, 6/30/19

4,520 4,500,893

**Multiline Retail 0.3%**

BJ's Wholesale Club, Inc., 2nd Lien Term Loan, 8.50%, 3/26/20

1,065 1,075,117

J.C. Penney Corporation, Inc., New Term Loan, 5.00%, 6/20/19

950 949,288

The Neiman Marcus Group, Inc., 2020 Term Loan, 4.25%, 10/25/20

2,595 2,573,956

4,598,361

**Oil, Gas & Consumable Fuels 0.2%**

Arch Coal, Inc., Term Loan B, 6.25%, 5/16/18

1,711 1,663,612

Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15

2,093 2,097,939

3,761,551

**Pharmaceuticals 0.7%**

Grifols Worldwide Operations USA, Inc., Term Loan B, 3.16%, 2/27/21

4,773 4,736,667

Mallinckrodt International Finance SA, Term Loan B, 3.50%, 3/19/21

1,815 1,806,826

Par Pharmaceutical Cos, Inc., Term Loan B2, 4.00%, 9/30/19

3,940 3,905,748

Pharmaceutical Product Development LLC, Term Loan B, 4.00%, 12/05/18

1,377 1,375,619



11,824,860

**Professional Services 0.3%**

Advantage Sales & Marketing, Inc.:

1st Lien Term Loan, 4.25%, 7/23/21

1,645 1,628,052

2nd Lien Term Loan, 7.50%, 7/25/22

2,495 2,495,524

Delayed Draw Term Loan, 0.50%, 7/23/21 (k)

55 54,268

4,177,844

**Real Estate Management & Development 0.0%**

Realogy Corp., Extended Letter of Credit, 4.40%, 10/10/16

230 228,456

**Semiconductors & Semiconductor Equipment 0.3%**

Avago Technologies Cayman Ltd., Term Loan B, 3.75%, 5/06/21

5,075 5,066,931

**Software 0.4%**

BMC Software Finance, Inc., Term Loan, 5.00%, 9/10/20

744 741,655

GCA Services Group, Inc., 2nd Lien Term Loan, 9.25%, 10/22/20

260 260,434

Infor US, Inc., Term Loan B5, 3.75%, 6/03/20

2,720 2,696,423

Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20

3,445 3,530,750

7,229,262

**Textiles, Apparel & Luxury Goods 0.4%**

Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18

6,134 6,041,805

**Total Floating Rate Loan Interests 16.4%**

279,387,377

**Non-Agency Mortgage-Backed Securities Par**

**(000) Value**

**Collateralized Mortgage Obligations 0.2%**

Hilton USA Trust, Series 2013-HLT, Class EFX, 5.61%, 11/05/30 (c)(d)

USD

3,829 \$ 3,917,484

**Other Interests (1)**

**Beneficial  
Interest  
(000)**

**Auto Components 0.0%**

Lear Corp. Escrow

1,250 10,938

**Media 0.0%**

Adelphia Escrow (a)

4,000 40

Adelphia Recovery Trust (a)

5,017 2,508

2,548

**Total Other Interests 0.0%**

13,486

---

**Preferred Securities**

**Par  
(000)**

**Capital Markets 0.4%**

The Goldman Sachs Group, Inc., Series L, 5.70% (d)(g)

5,978 6,171,305

**Diversified Financial Services 1.4%**

Bank of America Corp. (d)(g):

Series U, 5.20%

1,165 1,122,769

Series V, 5.13%

5,620 5,562,002

Barclays PLC, 8.00% (d)(g)

985 1,397,927

Citigroup, Inc., Series D, 5.35% (d)(g)

1,055 1,007,387

JPMorgan Chase & Co. (d)(g):

Series Q, 5.15%

850 827,688

Series U, 6.13%

4,228 4,323,130

Series V, 5.00%

5,615 5,568,148  
Morgan Stanley, Series H, 5.45% (d)(g)

4,815 4,899,262

24,708,313  
**Total Capital Trusts 1.8%**

30,879,618

---

### Preferred Stocks

**Shares**  
**Capital Markets 0.4%**

RBS Capital Funding Trust, Series F, 6.25%

93,975 2,277,954  
RBS Capital Funding Trust VII, 6.08%

152,071 3,656,159  
State Street Corp., Series D, 5.90% (d)

20,889 545,203

6,479,316  
**Diversified Finance Services 0.1%**  
Ally Financial, Inc., Series A, 8.50% (d)(g)

41,694 1,136,995  
**Media 0.0%**

Emmis Communications Corp., Series A, 6.25%

10,300 151,925  
**Oil, Gas & Consumable Fuels 0.4%**  
Chesapeake Energy Corp.:

5.75% (e)(g)

4,151 5,358,733  
5.75% (c)

1,182 1,431,698

6,790,431

**Real Estate Management & Development 0.1%**

Concrete Investments II, 0.00%

4,997 1,011,134

**Software 1.3%**

Amaya Gaming Group, Inc., 0.00%

19,851 22,866,140

**Total Preferred Stocks 2.3%**

38,435,941

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

**Trust Preferred Par**  
**(000) Value**

**Diversified Financial Services 0.5%**

GMAC Capital Trust I, Series 2, 8.13% (d)

301,466 \$ 8,074,489

**Total Preferred Securities 4.6%**

77,390,048

**Warrants (m)**

**Shares**

**Media 0.0%**

New Vision Holdings LLC (Expires 9/30/14)

89,790 4,857

**Metals & Mining 0.0%**

Peninsula Energy Ltd. (Expires 12/31/15)

31,614,557 275,843

**Software 0.0%**

HMH Holdings/EduMedia (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27)

6,494 30,206

**Total Warrants 0.0%**

310,906

**Total Long-Term Investments**

**(Cost \$2,319,988,972) 139.8%**

2,383,983,860

**Short-Term Securities Par**  
**(000) Value**

BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (n)(o)

3,602,081 \$3,602,081

**Total Short-Term Securities****(Cost \$3,602,081) 0.2%**

3,602,081

**Options Purchased****(Cost \$38,133) 0.0%****Total Investments****(Cost \$2,323,629,186) 140.0%**

2,387,585,941

**Liabilities in Excess of Other Assets (40.0)%**

(682,163,841)

**Net Assets 100.0%**

\$1,705,422,100

**Notes to Schedule of Investments**

- (a) Non-income producing security.
- (b) Security is held by a wholly owned subsidiary.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Variable rate security. Rate shown is as of report date.
- (e) Convertible security.
- (f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
- (g) Security is perpetual in nature and has no stated maturity date.
- (h) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (i) Zero-coupon bond.
- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (k) When-issued security. Unsettled when-issued transactions were as follows:

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Deutsche Bank Securities, Inc.	\$7,009,107	\$116,357
Goldman Sachs & Co.	\$4,052,689	\$ 42,839

Jefferies Co.	\$ 964,926	\$ 3,623
Merrill Lynch, Pierce, Fenner & Smith, Inc.	\$ 54,268	\$ (433)

- (l) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (m) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (n) Investments in issuers considered to be an affiliate of the Trust during the year ended August 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31, 2013	Net Activity	Shares Held at August 31, 2014	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	1,737,587	1,864,494	3,602,081	\$987
(o)	Represents the current yield as of report date. Financial futures contracts outstanding as of August 31, 2014 were as follows:			

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(662)	S&P 500 E-Mini Index	Chicago Mercantile	September 2014	USD 66,246,340	\$(886,781)

See Notes to Financial Statements.

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## BlackRock Corporate High Yield Fund, Inc. (HYT)

## Consolidated Schedule of Investments (continued)

Forward foreign currency exchange contracts outstanding as of August 31, 2014 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 229,000	USD304,213	Citibank N.A.	10/21/14	\$ (3,230 )
EUR 600,000	USD802,889	Goldman Sachs Bank USA	10/21/14	(14,286 )
EUR 1,050,000	USD1,399,262	Goldman Sachs Bank USA	10/21/14	(19,206 )
EUR 90,000	USD120,103	State Street Bank and Trust Co.	10/21/14	(1,812 )
EUR 1,981,000	USD2,652,398	State Street Bank and Trust Co.	10/21/14	(48,694 )
EUR 800,000	USD1,068,796	Toronto Dominion Bank	10/21/14	(17,325 )
EUR 900,000	USD1,205,825	UBS AG	10/21/14	(22,921 )
GBP 310,000	USD516,918	Citibank N.A.	10/21/14	(2,471 )
GBP 830,000	USD1,397,556	JPMorgan Chase Bank N.A.	10/21/14	(20,167 )
GBP 70,000	USD117,893	Royal Bank of Scotland PLC	10/21/14	(1,728 )
GBP 260,000	USD432,450	State Street Bank and Trust Co.	10/21/14	(979 )
GBP 300,000	USD505,665	The Bank of New York Mellon	10/21/14	(7,813 )
USD 726,096	AUD781,000	Deutsche Bank AG	10/21/14	(857 )
USD 2,378,698	CAD2,610,000	Goldman Sachs Bank USA	10/21/14	(19,029 )
USD 24,413,429	CAD26,710,000	Toronto Dominion Bank	10/21/14	(124,229 )
USD 23,007,275	CAD24,783,000	UBS AG	10/21/14	239,893
USD 1,053,819	EUR779,000	Bank of America N.A.	10/21/14	29,949
USD 138,701	EUR103,000	Bank of America N.A.	10/21/14	3,324
USD 169,836,971	EUR125,529,000	Citibank N.A.	10/21/14	4,849,397
USD 18,888	EUR14,000	Citibank N.A.	10/21/14	487
USD 73,806,865	GBP43,195,000	Bank of America N.A.	10/21/14	2,124,543
<b>Total</b>				<b>\$ 6,942,846</b>

OTC options purchased as of August 31, 2014 were as follows:

Description	Counterparty	Put/ Call	Strike Price	Expiration Date	Market Contracts	Market Value
Marsico Parent Superholdco LLC	Goldman Sachs & Co.	Call	USD 942.86	12/14/19	39	

OTC credit default swaps sold protection outstanding as of August 31, 2014 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Market Value	Premiums Paid (Received)	Unrealized Appreciation
CCO Holdings LLC	8.00%	Deutsche Bank AG	9/20/17	B	USD8,180	\$1,627,373		\$1,627,373
Trionista Holdco	5.00%	Citibank N.A.	3/20/19	B+	EUR340	48,723	\$33,417	15,306

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GmbH									
Trionista Holdco GmbH	5.00%	Citibank N.A.	3/20/19	B+	EUR363	52,056	36,233	15,823	
Trionista Holdco GmbH	5.00%	Citibank N.A.	3/20/19	B+	EUR363	52,056	43,155	8,901	
Trionista Holdco GmbH	5.00%	Citibank N.A.	3/20/19	B+	EUR363	52,056	43,819	8,237	
Level 3 Communications, Inc.	5.00%	Goldman Sachs International	6/20/19	B+	USD5,000	613,269	(368,840)	982,109	
<b>Total</b>						\$2,445,533	\$(212,216)	\$2,657,749	

<sup>1</sup> Using S&P's rating of the issuer.

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

For Trust compliance purposes, the Trust'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 investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

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

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

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

See Notes to Financial Statements.

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## BlackRock Corporate High Yield Fund, Inc. (HYT)

## Consolidated Schedule of Investments (continued)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Common Stocks	\$127,562,847	\$ 29,597,540	\$ 56,896,277	\$ 214,056,664
Asset-Backed Securities		19,010,306	6,775,056	25,785,362
Corporate Bonds		1,753,987,515	29,135,018	1,783,122,533
Floating Rate Loan Interests		241,158,034	38,229,343	279,387,377
Non-Agency Mortgage-Backed Securities		3,917,484		3,917,484
Other Interests		2,508	10,978	13,486
Preferred Securities	21,201,458	55,177,456	1,011,134	77,390,048
Warrants	187,367	118,682	4,857	310,906
Short-Term Securities	3,602,081			3,602,081
<b>Total</b>	<b>\$152,553,753</b>	<b>\$2,102,969,525</b>	<b>\$132,062,663</b>	<b>\$2,387,585,941</b>

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, and forward foreign currency exchange contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of August 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged as collateral for OTC derivatives	\$ 1,970,000			\$ 1,970,000
Cash pledged for financial futures contracts	3,198,000			3,198,000
Foreign currency at value	529,079			529,079
<b>Liabilities:</b>				
Bank borrowings payable		\$ (723,000,000)		(723,000,000)
Bank overdraft		(224,629)		(224,629)
Cash received as collateral for OTC derivatives		(2,700,000)		(2,700,000)
<b>Total</b>	<b>\$ 5,697,079</b>	<b>\$ (725,924,629)</b>		<b>\$ (720,227,550)</b>

See Notes to Financial Statements.

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## BlackRock Corporate High Yield Fund, Inc. (HYT)

## Consolidated Schedule of Investments (continued)

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

	Common Stocks	Asset-Backed Securities	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Preferred Securities	Warrants	Tot
g Balance, as of 31, 2013	\$ 7,608,130	\$ 2,824,497	\$ 3,673,915	\$ 13,072,578	\$ 71		\$ 66,028	\$ 27,24
rs into Level 3 <sup>1</sup>				1,453,195				1,45
rs out of Level 3 <sup>2</sup>	(343,980)	(2,251,497)		(2,939,292)			(24,750)	(5,55
d								
ts/premiums		4,947	4,941	309,165				31
alized gain (loss)	101,809	56,314	247,876	267,182	805			67
ange in unrealized ation/ ation <sup>3,4</sup>	(16,292,941)	1,838	(8,532,758)	994,223	10,637	\$ (4,271)	(59,239)	(23,88
ses <sup>5</sup>	79,917,869	8,047,835	36,555,676	39,840,744	270	1,015,405	22,818	165,40
	(14,094,610)	(1,908,878)	(2,814,632)	(14,768,452)	(805)			(33,58
g Balance, as of 31, 2014	\$ 56,896,277	\$ 6,775,056	\$ 29,135,018	\$ 38,229,343	\$ 10,978	\$ 1,011,134	\$ 4,857	\$ 132,06
ange in unrealized ation/depreciation stments still held st 31, 2014 <sup>4</sup>	\$(15,220,940)	\$ 1,838	\$(8,438,141)	\$ 1,071,903	\$ 10,695	\$ (4,271)	\$(59,239)	\$(22,63

As of August 31, 2013, the Trust used significant observable inputs in determining the value of certain investments.

<sup>1</sup> As of August 31, 2014, the Trust used unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$1,453,195, transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$5,215,538 transferred from Level 3 to Level 2 and \$343,980 transferred from Level 3 to Level 1 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statement of Operations.

<sup>4</sup> Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments held as of August 31, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

<sup>5</sup> Includes investments acquired in the reorganization.

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

Assets:	Credit Contracts

Opening Balance, as of August 31, 2013	\$ 607,499
Transfers into Level 3	
Transfers out of Level 3 <sup>6</sup>	(490,360)
Accrued discounts/premiums	
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation <sup>7</sup>	(117,139)
Purchases	
Issues	
Sales	
Settlements	
<b>Closing Balance, as of August 31, 2014</b>	<b>\$</b>
Net change in unrealized appreciation/depreciation on investments still held at August 31, 2014 <sup>4</sup>	<b>\$</b>

As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$490,360 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>7</sup>Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statement of Operations.

See Notes to Financial Statements.

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## BlackRock Corporate High Yield Fund, Inc. (HYT)

## Schedule of Investments (concluded)

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Trust's Level 3 investments and derivative financial instruments as of August 31, 2014. The table does not include Level 3 investments and derivative financial instruments with values derived based upon unadjusted third party pricing information. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments and derivative financial instruments. The value of Level 3 investments and derivative financial instruments derived using third party pricing information is \$78,597,812.

	Value	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs Utilized
<b>Assets:</b>				
Common Stocks	\$12,626,410	Market Comparable Companies	2P (Proved and Probable) Reserves	
			+2C (Contingent) Resources Multiple <sup>3,4</sup>	CAD <sup>6</sup> 0.38x-0.60x
			PV-10 Multiple <sup>3</sup>	0.16x-0.28x
	17,637,548	Market Comparable Companies	Fleet Value Multiple	1.10x
	10,677,197	Market Comparable Companies	Offshore Last 12 Months EBITDA Multiple <sup>3</sup>	6.19x
			Offshore Current Fiscal Year EBITDA Multiple <sup>3</sup>	7.25x
			Onshore Last 12 Months EBITDA Multiple <sup>3</sup>	5.18x
Onshore Current Fiscal Year EBITDA Multiple <sup>3</sup>			4.75x	
		Discounted Operations Expected Sales Proceeds	\$150 <sup>7</sup>	
Corporate Bonds <sup>1</sup>	2,483,215	Cost <sup>2</sup>	N/A	
	2,800,000	Cost <sup>2</sup>	N/A	
	4,906,200	Discounted Cash Flow	Internal Rate of Return <sup>5</sup>	10.00%
	2,329,424	Par	Call Price <sup>3</sup>	
Warrant	4,857	Estimated Recovery Value	Distribution Rate <sup>5</sup>	\$0.0541
<b>Total</b>	<b>\$53,464,581</b>			

For the year ended August 31, 2014, the valuation technique for certain investments classified as corporate bonds changed to utilizing par value or an income approach. Market information previously utilized to determine fair value under the market approach no longer applied to these investments; therefore, the par value or income approach is considered to be a more relevant measure of fair value for these investments.

<sup>2</sup>The Trust fair values certain of its Level 3 investments using acquisition cost, although the transaction may not have occurred during the current reporting period. These investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited

to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Trust.

<sup>3</sup> Increase in unobservable input may result in a significant increase to value, while a decrease in the unobservable input may result in a significant decrease to value.

<sup>4</sup> Present value of estimated future oil and gas revenues, net of estimated direct expenses discounted at an annual discount of 10%.

<sup>5</sup> Decrease in unobservable input may result in a significant increase to value, while an increase in the unobservable input may result in a significant decrease to value.

<sup>6</sup> Canadian Dollar.

<sup>7</sup> Amount is stated in millions.

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments August 31, 2014

**Asset-Backed Securities Par**  
**(000) Value**

**Asset-Backed Securities 6.3%**

AmeriCredit Automobile Receivables Trust, Series 2011-5, Class C, 3.44%, 10/08/17

USD

400 \$ 409,335

Apidos CDO XI, Series 2012-11A, Class D, 4.48%, 1/17/23 (a)(b)

600 599,980

Atrium CDO Corp., Series 9A, Class D, 3.74%, 2/28/24 (a)(b)

750 716,947

Babson CLO Ltd., Series 2012-1X, Class B, 2.73%, 4/15/22 (b)

500 490,101

Brookside Mill CLO, Ltd., Series 2013-1A, Class C1, 2.93%, 4/17/25 (a)(b)

500 487,352

CarMax Auto Owner Trust, Series 2012-1:

Class B, 1.76%, 8/15/17

210 213,025

Class C, 2.20%, 10/16/17

125 127,555

Class D, 3.09%, 8/15/18

160 163,180

CenterPoint Energy Transition Bond Co. LLC, Series 2012-1, Class A3, 3.03%, 10/15/25

1,105 1,119,618

CIFC Funding Ltd. (a)(b):

Series 2012-1AR, Class B1R, 4.39%, 8/14/24

750 743,850

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Series 2013-IA, Class B, 3.04%, 4/16/25

500 489,155

Series 2013-IA, Class C, 3.83%, 4/16/25

500 477,036

Ford Credit Floorplan Master Owner Trust, Series 2012-2:

Class B, 2.32%, 1/15/19

245 249,967

Class C, 2.86%, 1/15/19

105 108,453

Class D, 3.50%, 1/15/19

200 209,071

Galaxy XV CLO Ltd., Series 2013-15A, Class C, 2.83%, 4/15/25 (a)(b)

500 485,323

ING IM CLO Ltd., Series 2012-2A, Class C, 3.68%, 10/15/22 (a)(b)

750 750,197

Nelnet Student Loan Trust (b):

Series 2006-1, Class A5, 0.34%, 8/23/27

525 517,032

Series 2008-3, Class A4, 1.88%, 11/25/24

620 650,402

OZLM Funding III, Ltd., Series 2013-3A (a)(b):

Class B, 3.33%, 1/22/25

750 745,725

Class C, 4.13%, 1/22/25

500 482,096

OZLM VIII, Ltd., Series 2014-8A, Class C, 3.78%, 10/17/26 (a)(b)(c)

2,000 1,869,000

Santander Drive Auto Receivables Trust:

Series 2010-2, Class C, 3.89%, 7/17/17

608 610,418

Series 2010-B, Class C, 3.02%, 10/17/16 (a)

40 39,610

Series 2011-1, Class D, 4.01%, 2/15/17

940 964,887

Series 2012-1, Class B, 2.72%, 5/16/16

96 95,898

Series 2012-1, Class C, 3.78%, 11/15/17

325 332,363

Silver Spring CLO, Ltd., Series 2014-1A, Class D, 3.72%, 10/15/26 (a)(b)(c)

2,250 2,119,050

SLM Private Credit Student Loan Trust, Series 2004-B, Class A2, 0.43%, 6/15/21 (b)

111 110,270

SLM Private Education Loan Trust, Series 2012-A, Class A1, 1.56%, 8/15/25 (a)(b)

190 192,298

SLM Student Loan Trust:

Series 2008-5, Class A3, 1.53%, 1/25/18 (b)

424 427,088

Series 2008-5, Class A4, 1.93%, 7/25/23 (b)

630 657,795

Series 2012-A, Class A2, 3.83%, 1/17/45 (a)

345 361,818

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Series 2014-A, Class B, 3.50%, 11/15/44 (a)

250 244,638

Small Business Administration Participation Certificates, Series 1996-20K, Class 1, 6.95%, 11/01/16

71 73,665

Steele Creek CLO 2014-1, Ltd., Series 2014-1A, Class C, 3.43%, 8/21/26 (a)(b)

2,500 2,459,250

Symphony CLO VII, Ltd., Series 2011-7A, Class E, 3.84%, 7/28/21 (a)(b)

750 723,920

Venture CDO Ltd., 3.39%, 10/15/26 (a)(b)

1,550 1,525,029

Voya CLO Ltd., Series 2014-3A, Class C, 3.83%, 7/25/26 (a)(b)

1,750 1,663,200

World Financial Network Credit Card Master Trust, Series 2012-C, Class C, 4.55%, 8/15/22

1,180 1,231,459

25,937,056

**Asset-Backed Securities Par  
(000) Value**

**Interest Only Asset-Backed Securities 0.2%**

Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (a)

USD

2,643 \$ 191,596

Sterling Coofs Trust, Series 2004-1, Class A, 2.36%, 4/15/29 (a)

4,974 341,985

533,581

**Total Asset-Backed Securities 6.5%**

26,470,637

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## Corporate Bonds

### Aerospace & Defense 0.6%

Huntington Ingalls Industries, Inc., 7.13%, 3/15/21

230 250,125  
United Technologies Corp. (d):

4.88%, 5/01/15

1,250 1,287,564  
6.13%, 7/15/38

750 976,843

### Airlines 2.1%

American Airlines Pass-Through Trust, Series 2013-2:

Class A, 4.95%, 1/15/23

2,224 2,396,348  
Class B, 5.60%, 7/15/20

488 506,206  
Continental Airlines Pass-Through Trust:

Series 2010-1, Class B, 6.00%, 1/12/19

421 448,376  
Series 2012-3, Class C, 6.13%, 4/29/18

500 530,000  
United Airlines Pass-Through Trust:

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Series 2013-1, Class A, 4.30%, 8/15/25

2,000 2,050,000

Series 2014-2, Class B, 4.63%, 9/03/22

1,375 1,375,000

US Airways Pass-Through Trust, Series 2012-1, Class C, 9.13%, 10/01/15

1,084 1,143,747

8,449,677

**Auto Components 0.8%**

Icahn Enterprises LP/Icahn Enterprises Finance Corp.:

3.50%, 3/15/17

91 91,569

4.88%, 3/15/19

1,330 1,366,575

6.00%, 8/01/20

953 1,017,327

5.88%, 2/01/22

667 695,348

3,170,819

**Automobiles 1.0%**

Ford Motor Co., 4.75%, 1/15/43

2,005 2,098,599

General Motors Co., 6.25%, 10/02/43

1,253 1,469,143

Jaguar Land Rover Automotive PLC, 4.13%, 12/15/18 (a)

750 761,250

4,328,992

**Banks 4.2%**

Barclays Bank PLC, 7.63%, 11/21/22

1,750 1,965,469

CIT Group, Inc.:

5.50%, 2/15/19 (a)

398 429,343

5.38%, 5/15/20

1,650 1,786,125

Depfa ACS Bank, 5.13%, 3/16/37 (a)

4,150 4,964,354

HSBC Bank Brasil SA Banco Multiplo, 4.00%, 5/11/16 (a)(d)

1,400 1,442,000

HSBC Bank PLC, 3.10%, 5/24/16 (a)(d)

695 723,608

HSBC Holdings PLC:

4.25%, 3/14/24

1,010 1,048,506

6.10%, 1/14/42 (d)

305 396,442

Rabobank Nederland (d):

3.88%, 2/08/22

1,390 1,487,167

3.95%, 11/09/22

1,500 1,542,769  
Wells Fargo & Co., 3.50%, 3/08/22 (d)

1,390 1,447,846

17,233,629  
**Building Products 0.1%**

Cemex SAB de CV, 5.88%, 3/25/19 (a)

200 209,500

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**

**Capital Markets 3.7%**

CDP Financial, Inc., 5.60%, 11/25/39 (a)(d)

USD

2,955 \$ 3,808,389

The Goldman Sachs Group, Inc. (d):

5.38%, 3/15/20

1,215 1,372,713  
 5.25%, 7/27/21

3,175 3,578,047  
 5.75%, 1/24/22

1,815 2,106,353  
 Lehman Brothers Holdings Inc., 6.50%, 7/19/17 (e)(f)

225  
 Morgan Stanley:

4.20%, 11/20/14 (d)

680 685,487  
 4.00%, 7/24/15

400 412,468  
 6.25%, 8/28/17 (d)

1,925 2,179,256  
 Murray Street Investment Trust I, 4.65%, 3/09/17 (d)(g)  
 820 882,082

15,024,795  
**Chemicals 1.3%**

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Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holding BV, 7.38%, 5/01/21 (a)  
151 164,590  
Axiall Corp., 4.88%, 5/15/23

152 152,190  
The Dow Chemical Co., 4.13%, 11/15/21

350 374,869  
Huntsman International LLC, 4.88%, 11/15/20

297 302,940  
Methanex Corp., 3.25%, 12/15/19

2,074 2,127,341  
PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20

161 177,503  
Rockwood Specialties Group, Inc., 4.63%, 10/15/20

1,800 1,872,000

5,171,433  
**Commercial Services & Supplies 1.3%**

ADS Waste Holdings, Inc., 8.25%, 10/01/20

245 260,925  
The ADT Corp., 4.88%, 7/15/42

539 458,150  
Aviation Capital Group Corp. (a):  
4.63%, 1/31/18

650 680,991  
7.13%, 10/15/20

900 1,027,408  
Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (a)

214 222,560  
Mobile Mini, Inc., 7.88%, 12/01/20

1,320 1,425,600  
United Rentals North America, Inc.:

5.75%, 7/15/18

194 204,185  
7.38%, 5/15/20

385 419,650  
7.63%, 4/15/22

455 510,737

5,210,206  
**Communications Equipment 1.2%**

ADC Telecommunications, Inc., 3.50%, 7/15/15 (h)  
4,340 4,383,400  
Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20

530 571,737

4,955,137  
**Construction & Engineering 0.1%**

ABB Finance USA, Inc., 4.38%, 5/08/42

194 204,073  
BlueLine Rental Finance Corp., 7.00%, 2/01/19 (a)

96 101,520  
Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (a)

200 210,500

516,093

**Construction Materials 1.1%**

Allegion US Holding Co., Inc., 5.75%, 10/01/21

448 469,280

HD Supply, Inc.:

8.13%, 4/15/19

1,954 2,129,860

7.50%, 7/15/20

1,544 1,659,800

Lafarge SA, 7.13%, 7/15/36

135 154,575

4,413,515

**Consumer Finance 0.9%**

Discover Financial Services, 3.85%, 11/21/22

250 256,017

Ford Motor Credit Co. LLC:

6.63%, 8/15/17

280 319,789

8.13%, 1/15/20

1,265 1,605,981

4.25%, 9/20/22

800 854,769

SLM Corp., 6.25%, 1/25/16

651 690,060

3,726,616

**Corporate Bonds Par**

**(000) Value**

**Containers & Packaging 0.3%**

Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21

USD

91 \$ 97,142

Sealed Air Corp. (a):

6.50%, 12/01/20

550 605,000

8.38%, 9/15/21

225 253,125

Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (a)

410 425,375

1,380,642

**Diversified Consumer Services 0.4%**

APX Group, Inc., 6.38%, 12/01/19

269 273,035

Service Corp. International, 4.50%, 11/15/20

1,240 1,235,350

1,508,385

**Diversified Financial Services 7.5%**

Aircastle Ltd., 6.25%, 12/01/19

705 763,162

Ally Financial, Inc.:

5.50%, 2/15/17

1,500 1,601,250

6.25%, 12/01/17

160 176,200

8.00%, 3/15/20

560 680,400

8.00%, 11/01/31

300 388,125

Bank of America Corp. (d):

5.63%, 7/01/20

1,100 1,260,607

3.30%, 1/11/23

5,010 4,968,347

Capital One Financial Corp., 4.75%, 7/15/21

975 1,082,347

FMR LLC, 4.95%, 2/01/33 (a)(d)

1,150 1,278,895

General Electric Capital Corp., 6.75%, 3/15/32 (d)

2,500 3,364,865

General Motors Financial Co., Inc., 4.25%, 5/15/23

406 414,627

IntercontinentalExchange Group, Inc., 4.00%, 10/15/23

235 250,047

Intesa Sanpaolo SpA, 5.02%, 6/26/24 (a)

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1,145 1,155,713  
Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (a)

1,250 1,306,250  
JPMorgan Chase & Co., 6.30%, 4/23/19 (d)

1,375 1,613,968  
JPMorgan Chase Bank NA, 6.00%, 10/01/17 (d)

800 904,972  
Macquarie Bank Ltd., 10.25%, 6/20/57 (b)

900 1,026,000  
Moody's Corp., 4.50%, 9/01/22

900 958,425  
Northern Trust Corp., 3.95%, 10/30/25 (d)

4,000 4,185,768  
Reynolds Group Issuer, Inc.:

7.13%, 4/15/19

200 207,750  
7.88%, 8/15/19

560 606,200  
5.75%, 10/15/20

1,000 1,045,000  
6.88%, 2/15/21

1,255 1,344,419

30,583,337  
**Diversified Telecommunication Services 2.7%**

CenturyLink, Inc., Series V, 5.63%, 4/01/20

400 423,000  
Level 3 Financing, Inc.:

8.13%, 7/01/19

671 726,357  
8.63%, 7/15/20

580 642,350  
Verizon Communications, Inc. (d):

3.50%, 11/01/21

500 518,931  
6.40%, 2/15/38

3,396 4,245,706  
6.55%, 9/15/43

3,375 4,346,935  
Windstream Corp., 7.88%, 11/01/17

200 227,500

11,130,779  
**Electric Utilities 4.9%**

The Cleveland Electric Illuminating Co.:

8.88%, 11/15/18

121 152,411  
5.95%, 12/15/36

217 256,681  
CMS Energy Corp., 5.05%, 3/15/22

917 1,040,558  
ComEd Financing III, 6.35%, 3/15/33



150 153,375  
Duke Energy Carolinas LLC:

6.10%, 6/01/37

325 412,188  
6.00%, 1/15/38 (d)

850 1,102,175  
4.25%, 12/15/41 (d)

375 388,681  
Duke Energy Florida, Inc., 6.40%, 6/15/38

340 464,025  
E.ON International Finance BV, 6.65%, 4/30/38 (a)(d)  
1,575 2,043,370  
Electricite de France SA, 5.60%, 1/27/40 (a)(d)

1,400 1,644,663

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**

**Electric Utilities (concluded)**

Florida Power Corp., 6.35%, 9/15/37 (d)

USD

1,450 \$ 1,970,923

Georgia Power Co., 3.00%, 4/15/16 (d)

800 829,505

Jersey Central Power & Light Co., 7.35%, 2/01/19

245 294,263

Ohio Power Co., Series D, 6.60%, 3/01/33

1,500 1,975,527

PacifiCorp, 6.25%, 10/15/37 (d)

650 865,495

Public Service Co. of Colorado, Series 17, 6.25%, 9/01/37 (d)

1,350 1,820,475

Southern California Edison Co. (d):

5.63%, 2/01/36

675 842,789

Series A, 5.95%, 2/01/38

1,100 1,414,509

Virginia Electric and Power Co., Series A, 6.00%, 5/15/37 (d)

1,920 2,472,868

20,144,481

**Energy Equipment & Services 2.6%**

Calfrac Holdings LP, 7.50%, 12/01/20 (a)

470 499,375  
Enesco PLC:

3.25%, 3/15/16

160 165,675  
4.70%, 3/15/21 (d)

1,745 1,899,766  
EOG Resources, Inc., 2.63%, 3/15/23 (d)

1,898 1,846,887  
Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21

71 73,307  
GrafTech International Ltd., 6.38%, 11/15/20

580 600,300  
MEG Energy Corp., 6.50%, 3/15/21 (a)

560 590,800  
Noble Holding International Ltd., 5.25%, 3/15/42

350 369,052  
Peabody Energy Corp.:

6.00%, 11/15/18

1,256 1,293,680  
6.25%, 11/15/21 (d)

1,244 1,239,335  
Seadrill Ltd., 6.13%, 9/15/17 (a)

1,590 1,641,675  
Transocean, Inc., 6.50%, 11/15/20

350 395,876

10,615,728

**Food & Staples Retailing 0.1%**

Rite Aid Corp., 6.75%, 6/15/21

279 296,089

**Food Products 0.5%**

Barry Callebaut Services NV, 5.50%, 6/15/23 (a)

700 738,955

Kraft Foods Group, Inc., 5.00%, 6/04/42

997 1,084,150

Smithfield Foods, Inc., 5.88%, 8/01/21 (a)

169 180,830

2,003,935

**Health Care Equipment & Supplies 0.4%**

Boston Scientific Corp., 6.25%, 11/15/15

1,260 1,339,739

Teleflex, Inc., 6.88%, 6/01/19

385 407,138

1,746,877

**Health Care Providers & Services 4.1%**

Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19

535 565,762

CHS/Community Health Systems, Inc., 5.13%, 8/15/18

400 416,000  
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)

EUR  
494 681,925  
HCA Holdings, Inc., 7.75%, 5/15/21

USD  
143 155,870  
HCA, Inc.:  
3.75%, 3/15/19

134 135,005  
6.50%, 2/15/20

2,124 2,376,225  
4.75%, 5/01/23

1,161 1,171,159  
Symbion, Inc., 8.00%, 6/15/16

455 473,769  
Tenet Healthcare Corp.:  
6.25%, 11/01/18

750 817,500  
6.00%, 10/01/20

622 674,870  
4.50%, 4/01/21

383 383,958  
4.38%, 10/01/21

1,765 1,751,762  
8.13%, 4/01/22

1,160 1,335,450  
UnitedHealth Group, Inc., 2.88%, 3/15/22 (d)

2,000 2,007,922  
WellPoint, Inc., 4.65%, 1/15/43 (d)

3,995 4,117,547

17,064,724

**Corporate Bonds Par  
(000) Value**

**Hotels, Restaurants & Leisure 3.1%**

Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property, 8.00%, 10/01/20 (a)

USD

2,120 \$ 2,104,100  
MCE Finance Ltd., 5.00%, 2/15/21 (a)

941 936,295  
Six Flags Entertainment Corp., 5.25%, 1/15/21 (a)

859 869,737  
The Unique Pub Finance Co. PLC:

Series A3, 6.54%, 3/30/21

GBP

1,748 3,054,295  
Series A4, 5.66%, 6/30/27

623 1,041,957  
Series M, 7.40%, 3/28/24

1,500 2,543,706  
Series N, 6.46%, 3/30/32

1,195 1,867,672  
Wynn Macau Ltd., 5.25%, 10/15/21 (a)

USD

416 423,280

12,841,042

**Household Durables 0.2%**

Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (a)

374 377,740

Weyerhaeuser Real Estate Co. (a):

4.38%, 6/15/19

215 215,000

5.88%, 6/15/24

145 147,900

740,640

**Household Products 0.1%**

Spectrum Brands, Inc.:

6.38%, 11/15/20

200 215,000

6.63%, 11/15/22

275 297,687

512,687

**Independent Power and Renewable Electricity Producers 0.2%**

Calpine Corp., 6.00%, 1/15/22 (a)

137 147,617

NRG REMA LLC, Series C, 9.68%, 7/02/26

500 545,000

692,617

**Industrial Conglomerates 0.0%**

Smiths Group PLC, 3.63%, 10/12/22 (a)

180 179,997

**Insurance 3.1%**

A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (a)

608 647,520

American International Group, Inc., 5.45%, 5/18/17 (d)

800 886,638

AXA SA, 5.25%, 4/16/40 (b)

EUR

250 371,716

Five Corners Funding Trust, 4.42%, 11/15/23 (a)

USD

1,025 1,093,923

Hartford Financial Services Group, Inc.:

6.00%, 1/15/19

345 396,877

5.13%, 4/15/22

930 1,062,591

Liberty Mutual Group, Inc., 6.50%, 5/01/42 (a)

1,000 1,241,191

Lincoln National Corp., 6.25%, 2/15/20

630 742,463

Manulife Financial Corp., 3.40%, 9/17/15 (d)

1,625 1,672,713

Montpelier Re Holdings Ltd., 4.70%, 10/15/22



450 471,476  
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)

340 362,950  
Muenchener Rueckversicherungs AG, 6.00%, 5/26/41 (b)

EUR  
200 318,679  
Prudential Financial, Inc. (d):  
4.75%, 9/17/15

USD  
1,220 1,271,029  
7.38%, 6/15/19

300 368,947  
5.38%, 6/21/20

250 286,330  
4.50%, 11/15/20

400 439,066  
5.70%, 12/14/36

950 1,135,871

12,769,980  
**Internet Software & Services 0.1%**

Equinix, Inc., 4.88%, 4/01/20

87 88,740  
VeriSign, Inc., 4.63%, 5/01/23

345 338,962

427,702  
**IT Services 0.6%**

First Data Corp. (a):

7.38%, 6/15/19

205 218,837  
8.88%, 8/15/20

1,000 1,090,000  
6.75%, 11/01/20

1,192 1,290,340

2,599,177

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments (continued)

**Corporate Bonds Par  
 (000) Value**

**Life Sciences Tools & Services 0.1%**

Agilent Technologies, Inc., 3.20%, 10/01/22

USD

250 \$ 245,713

**Marine 0.3%**

Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)(d)

1,100 1,237,500

**Media 5.7%**

AMC Networks, Inc.:

7.75%, 7/15/21

320 353,200

4.75%, 12/15/22

343 347,287

Cinemark USA, Inc., 5.13%, 12/15/22

175 177,844

Clear Channel Communications, Inc., 9.00%, 12/15/19

306 316,710

Clear Channel Worldwide Holdings, Inc., Series B, 6.50%, 11/15/22

2,485 2,655,595

Comcast Cable Communications Holdings, Inc., 9.46%, 11/15/22 (d)

2,000 2,909,144

COX Communications, Inc.,

6.95%, 6/01/38 (a)

1,000 1,256,441

8.38%, 3/01/39 (a)

1,735 2,522,017  
DIRECTV Holdings LLC/DIRECTV Financing Co., Inc.:

6.38%, 3/01/41

260 322,932  
5.15%, 3/15/42

700 753,675  
Gray Television, Inc., 7.50%, 10/01/20

334 352,370  
Inmarsat Finance PLC, 4.88%, 5/15/22 (a)

500 501,250  
Intelsat Jackson Holdings SA, 5.50%, 8/01/23

700 697,375  
Live Nation Entertainment, Inc., 7.00%, 9/01/20 (a)

109 117,448  
NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (a)

345 354,487  
NBCUniversal Media LLC (d):

5.15%, 4/30/20

1,974 2,259,624  
4.38%, 4/01/21

1,015 1,121,618  
Omnicom Group, Inc., 3.63%, 5/01/22 (d)

2,355 2,421,649  
Sirius XM Holdings, Inc., 4.25%, 5/15/20 (a)

334 327,320  
Time Warner, Inc.:

4.70%, 1/15/21

1,000 1,104,821  
6.10%, 7/15/40

615 740,123  
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (a)

250 255,625  
Univision Communications, Inc., 5.13%, 5/15/23 (a)

1,153 1,207,767  
Virgin Media Secured Finance PLC, 5.38%, 4/15/21 (a)

395 410,800

23,487,122  
**Metals & Mining 3.8%**

Alcoa, Inc., 5.40%, 4/15/21

1,450 1,580,965  
ArcelorMittal:

4.25%, 8/05/15

174 177,698  
6.13%, 6/01/18

386 420,257  
Commercial Metals Co., 4.88%, 5/15/23

561 549,780  
Corp. Nacional del Cobre de Chile, 3.00%, 7/17/22 (a)(d)

1,566 1,539,323

FMG Resources August 2006 Property Ltd., 6.00%, 4/01/17 (a)

105 109,463  
Freeport-McMoRan Copper & Gold, Inc.:

3.55%, 3/01/22

540 542,938  
5.45%, 3/15/43

450 486,195  
New Gold, Inc., 6.25%, 11/15/22 (a)

435 456,750  
Newcrest Finance Property Ltd., 4.45%, 11/15/21 (a)

475 473,097  
Novelis, Inc., 8.75%, 12/15/20

4,105 4,541,156  
Teck Resources, Ltd., 5.38%, 10/01/15

2,350 2,459,867  
Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (a)

598 645,840  
Xstrata Canada Corp., 6.20%, 6/15/35

1,550 1,739,407

15,722,736  
**Multiline Retail 0.3%**

Dufry Finance SCA, 5.50%, 10/15/20 (a)

1,260 1,310,463

**Corporate Bonds Par  
(000) Value**

**Oil, Gas & Consumable Fuels 10.3%**

Access Midstream Partners LP/ACMP Finance Corp., 6.13%, 7/15/22

USD

400 \$ 435,000

Anadarko Petroleum Corp., 5.95%, 9/15/16

1,916 2,103,666

Antero Resources Finance Corp., 5.38%, 11/01/21

153 157,590

Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21

159 172,515

Bonanza Creek Energy, Inc., 6.75%, 4/15/21

99 103,950

Burlington Resources Finance Co., 7.40%, 12/01/31 (d)

950 1,376,369

Carrizo Oil & Gas, Inc., 7.50%, 9/15/20

400 428,000

Cenovus Energy, Inc., 6.75%, 11/15/39

750 996,115

Chesapeake Energy Corp., 5.75%, 3/15/23

615 686,494

ConocoPhillips Canada Funding Co., 5.95%, 10/15/36

150 191,161

Continental Resources, Inc.:

5.00%, 9/15/22 (d)

1,600 1,726,000

4.50%, 4/15/23

114 123,107  
Denbury Resources, Inc., 4.63%, 7/15/23

627 605,055  
El Paso LLC, 7.80%, 8/01/31

45 55,800  
El Paso Natural Gas Co., 8.38%, 6/15/32

275 376,336  
Energy Transfer Partners LP, 7.50%, 7/01/38

500 655,341  
Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17

455 482,300  
Enterprise Products Operating LLC, 6.13%, 10/15/39

700 872,348  
KeySpan Gas East Corp., 5.82%, 4/01/41 (a)(d)

505 643,612  
Kinder Morgan Energy Partners LP:

6.50%, 9/01/39

3,000 3,514,896  
6.55%, 9/15/40

110 129,327  
6.38%, 3/01/41

160 186,923  
Kinder Morgan, Inc., 5.63%, 11/15/23 (a)

170 187,425  
Kodiak Oil & Gas Corp., 5.50%, 2/01/22



106 111,830  
Linn Energy LLC/Linn Energy Finance Corp., 6.25%, 11/01/19

237 244,703  
Marathon Petroleum Corp., 6.50%, 3/01/41

1,052 1,323,523  
MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:  
6.25%, 6/15/22

33 35,475  
4.50%, 7/15/23

10 10,163  
Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21

212 219,950  
MidAmerican Energy Co., 5.80%, 10/15/36 (d)

800 1,025,059  
MidAmerican Energy Holdings Co.:  
5.95%, 5/15/37

950 1,179,153  
6.50%, 9/15/37

2,115 2,790,364  
Nexen, Inc.:  
6.40%, 5/15/37

400 499,621  
7.50%, 7/30/39

670 946,360  
Pacific Drilling SA, 5.38%, 6/01/20 (a)

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370 360,750  
PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20

47 50,643  
PDC Energy, Inc., 7.75%, 10/15/22

260 284,700  
Pemex Project Funding Master Trust, 6.63%, 6/15/35

2,005 2,471,162  
Petrobras International Finance Co.:  
3.88%, 1/27/16

1,335 1,372,375  
5.75%, 1/20/20

1,760 1,897,192  
Pioneer Natural Resources Co., 3.95%, 7/15/22

350 366,893  
Premier Oil PLC, 5.00%, 6/09/18

1,900 1,995,000  
Range Resources Corp.:  
5.75%, 6/01/21

106 113,155  
5.00%, 8/15/22

27 28,721  
5.00%, 3/15/23

63 66,938  
Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23

249 250,867  
RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (a)

118 126,850  
Rosetta Resources, Inc., 5.63%, 5/01/21

239 244,676

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**Corporate Bonds Par**  
**(000) Value**  
**Oil, Gas & Consumable Fuels (concluded)**

Sabine Pass Liquefaction LLC:

5.63%, 2/01/21

USD

1,791 \$ 1,889,505

6.25%, 3/15/22 (a)

398 431,830

5.63%, 4/15/23

469 487,760

SandRidge Energy, Inc.:

8.75%, 1/15/20

18 18,900

7.50%, 2/15/23

238 247,520

Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21

388 426,800

Western Gas Partners LP, 5.38%, 6/01/21

715 812,762

Whiting Petroleum Corp., 5.00%, 3/15/19

821 866,155

The Williams Cos., Inc., Series A, 7.50%, 1/15/31

2,500 2,977,077

42,383,762

**Paper & Forest Products 0.3%**

International Paper Co.:

7.50%, 8/15/21

75 95,630  
4.75%, 2/15/22

420 464,268  
6.00%, 11/15/41

435 522,873  
NewPage Corp., 11.38%, 12/31/14 (e)(f)

1,144

1,082,771

**Pharmaceuticals 0.9%**

Forest Laboratories, Inc. (a):

4.38%, 2/01/19

228 245,604  
5.00%, 12/15/21

379 417,937  
Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (a)

520 565,500  
Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (a)

162 175,770  
Valeant Pharmaceuticals International, Inc. (a):

6.75%, 8/15/18

1,322 1,414,540  
6.38%, 10/15/20

575 601,594  
5.63%, 12/01/21

378 384,142

3,805,087

**Real Estate Investment Trusts (REITs) 0.7%**

Felcor Lodging LP, 5.63%, 3/01/23

247 250,087

Simon Property Group LP, 4.75%, 3/15/42 (d)

835 915,342

Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21

275 303,112

Vornado Realty LP, 5.00%, 1/15/22

1,190 1,310,242

2,778,783

**Real Estate Management & Development 1.0%**

Lennar Corp., 4.75%, 11/15/22

440 433,400

Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (a)

2,300 2,409,020

Realogy Corp., 7.63%, 1/15/20 (a)(d)

997 1,086,730

3,929,150

**Road & Rail 0.9%**

Burlington Northern Santa Fe LLC, 5.75%, 5/01/40

940 1,141,674  
The Hertz Corp.:

4.25%, 4/01/18

237 238,185  
5.88%, 10/15/20

230 236,613  
7.38%, 1/15/21

1,450 1,551,500  
6.25%, 10/15/22

385 401,362

3,569,334

**Semiconductors & Semiconductor Equipment 0.1%**

NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (a)

470 493,500  
**Software 0.5%**

Nuance Communications, Inc., 5.38%, 8/15/20 (a)

1,085 1,090,425

Oracle Corp., 5.38%, 7/15/40 (d)

800 939,231

2,029,656

**Specialty Retail 0.6%**

The Home Depot, Inc., 5.88%, 12/16/36 (d)

830 1,052,592  
QVC, Inc. (a):

7.50%, 10/01/19

395 412,325  
7.38%, 10/15/20

975 1,042,187

2,507,104

**Corporate Bonds Par  
(000) Value**

**Textiles, Apparel & Luxury Goods 0.3%**

PVH Corp., 4.50%, 12/15/22

USD

487 \$ 483,347  
Springs Industries, Inc., 6.25%, 6/01/21

404 406,020  
The William Carter Co., 5.25%, 8/15/21

329 343,805

1,233,172  
**Tobacco 1.2%**

Altria Group, Inc.:

9.95%, 11/10/38

258 438,257  
10.20%, 2/06/39

447 773,806  
5.38%, 1/31/44 (d)

2,015 2,238,032  
Lorillard Tobacco Co., 7.00%, 8/04/41



500 631,462  
Reynolds American, Inc., 4.75%, 11/01/42

1,050 1,024,752

5,106,309  
**Wireless Telecommunication Services 2.4%**

America Movil SAB de CV, 2.38%, 9/08/16

800 819,440  
Crown Castle International Corp., 5.25%, 1/15/23

465 480,257  
Crown Castle Towers LLC, 6.11%, 1/15/20 (a)

1,595 1,865,332  
Digicel Group Ltd., 8.25%, 9/30/20 (a)

405 437,400  
Digicel Ltd., 6.00%, 4/15/21 (a)

800 824,000  
Rogers Communications, Inc., 7.50%, 8/15/38

1,175 1,617,759  
SBA Tower Trust, 5.10%, 4/15/17 (a)

360 382,507  
Softbank Corp., 4.50%, 4/15/20 (a)

550 559,625  
Sprint Capital Corp., 8.75%, 3/15/32

350 390,250  
Sprint Communications, Inc. (a):

9.00%, 11/15/18

530 630,037  
7.00%, 3/01/20

872 972,280  
Sprint Corp., 7.88%, 9/15/23 (a)

850 911,625

9,890,512

**Total Corporate Bonds 78.7%**  
322,976,437

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#### Foreign Agency Obligations

Brazilian Government International Bond, 5.00%, 1/27/45

2,862 2,933,550  
Cyprus Government International Bond, 4.63%, 2/03/20

EUR

605 790,965  
Iceland Government International Bond, 5.88%, 5/11/22

USD

1,780 2,025,649  
Italian Republic, 5.38%, 6/15/33

470 571,240  
Portugal Government International Bond, 5.13%, 10/15/24 (a)

625 646,625  
Slovenia Government International Bond, 5.85%, 5/10/23 (a)

432 488,592  
**Total Foreign Agency Obligations 1.8%**  
7,456,621

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**Municipal Bonds**

City of Detroit Michigan, GO, Taxable Capital Improvement, Limited Tax, Series A-2, 8.00%, 4/01/15 (e)(f)

1,525 427,153

City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution:

Series EE, 5.50%, 6/15/43

465 549,756

Series GG, Build America Bonds, 5.72%, 6/15/42

690 891,190

Water & Sewer System, Fiscal 2011, Series EE, 5.38%, 6/15/43

385 450,900

East Bay Municipal Utility District, RB, Build America Bonds, 5.87%, 6/01/40

950 1,225,795

Indianapolis Local Public Improvement Bond Bank, RB, Build America Bonds, 6.12%, 1/15/40

1,260 1,646,354

Metropolitan Transportation Authority, RB, Build America Bonds, Series C, 7.34%, 11/15/39

670 1,020,792

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**Municipal Bonds Par**  
**(000) Value**

Municipal Electric Authority of Georgia Plant Vogtle Units 3 & 4, Refunding RB, Build America Bonds, Series A,  
 7.06%, 4/01/57

USD

1,000 \$ 1,156,240

New York State Dormitory Authority, RB, Build America Bonds:

5.63%, 3/15/39

550 674,960

5.60%, 3/15/40

950 1,181,971

Port Authority of New York & New Jersey, RB, Consolidated, 159th Series, 6.04%, 12/01/29

395 499,335

State of California, GO, Build America Bonds, Various Purpose:

7.55%, 4/01/39

140 211,474

7.63%, 3/01/40

860 1,299,451

State of Illinois, GO, Pension, 5.10%, 6/01/33

1,000 991,670

University of California, RB, Build America Bonds, 5.95%, 5/15/45

440 559,099

**Total Municipal Bonds 3.1%**

12,786,140

**Non-Agency Mortgage-Backed Securities**

**Collateralized Mortgage Obligations 1.4%**

Banc of America Funding Corp., Series 2007-2, Class 1A2, 6.00%, 3/25/37

660 556,822

Collateralized Mortgage Obligation Trust, Series 40, Class R, 0.58%, 4/01/18

16 16

Countrywide Alternative Loan Trust:

Series 2005-64CB, Class 1A15, 5.50%, 12/25/35

1,102 1,043,597

Series 2006-OA21, Class A1, 0.35%, 3/20/47 (b)

727 588,819

Countrywide Home Loan Mortgage Pass-Through Trust, Series 2006-OA5, Class 2A1, 0.36%, 4/25/46 (b)

293 245,184

Credit Suisse Mortgage Capital Certificates, Series 2011-2R, Class 2A1, 2.61%, 7/27/36 (a)(b)

956 968,283

GMAC Mortgage Corp. Loan Trust, Series 2005-AR3, Class 5A1, 5.06%, 6/19/35 (b)

550 554,671

Homebanc Mortgage Trust, Series 2006-2, Class A1, 0.34%, 12/25/36 (b)

463 408,135

Merrill Lynch Mortgage Investors, Inc., Series 2006-A3, Class 3A1, 2.71%, 5/25/36 (b)

551 452,613

Residential Funding Securities LLC, Series 2003-RM2, Class AI5, 8.50%, 5/25/33

637 674,931

WaMu Mortgage Pass-Through Certificates, Series 2007-OA4, Class 1A, 0.89%, 5/25/47 (b)

307 272,371

5,765,442

**Commercial Mortgage-Backed Securities 12.9%**

Banc of America Merrill Lynch Commercial Mortgage Trust:

Series 2006-6, Class A2, 5.31%, 10/10/45

147 147,851

Series 2007-1, Class A4, 5.45%, 1/15/49

500 536,104

Series 2007-2, Class A4, 5.78%, 4/10/49 (b)

750 818,490

Bear Stearns Commercial Mortgage Securities, Series 2005-PWR9, Class A4A, 4.87%, 9/11/42

663 681,893

Citigroup Commercial Mortgage Trust (b):

Series 2008-C7, Class A4, 6.34%, 12/10/49

1,200 1,329,745

Series 2013-GC15, Class B, 5.28%, 9/10/46

3,593 3,983,444

Series 2013-GC15, Class XA, 1.46%, 9/10/46

13,194 926,954

Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2006-CD3, Class AM, 5.65%, 10/15/48

1,100 1,189,716

Commercial Mortgage Loan Trust, Series 2008-LS1, Class A4B, 6.21%, 12/10/49 (b)

1,421 1,545,188

**Non-Agency Mortgage-Backed Securities Par  
(000) Value**

**Commercial Mortgage-Backed Securities (concluded)**

Commercial Mortgage Trust:

Series 2006-C7, Class AM, 5.97%, 6/10/46 (b)

USD

1,750 \$ 1,872,043

Series 2013-CR11, Class B, 5.33%, 10/10/46 (b)

3,505 3,892,166  
Series 2013-CR11, Class C, 5.34%, 10/10/46 (a)(b)

3,271 3,526,230  
Series 2013-LC6, Class B, 3.74%, 1/10/46

695 699,949  
Series 2013-LC6, Class D, 4.43%, 1/10/46 (a)(b)

835 787,811  
Credit Suisse Commercial Mortgage Trust:  
Series 2006-C3, Class AM, 6.00%, 6/15/38 (b)

1,000 1,072,522  
Series 2006-C5, Class AM, 5.34%, 12/15/39

1,750 1,881,647  
Series 2010-RR2, Class 2A, 6.10%, 9/15/39 (a)(b)

774 831,994  
Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class AJ, 4.77%, 7/15/37

705 718,278  
DBRR Trust, Series 2011-C32, Class A3A, 5.93%, 6/17/49 (a)(b)

365 399,017  
Greenwich Capital Commercial Funding Corp., Series 2006-GG7, Class A4, 6.01%, 7/10/38 (b)

1,132 1,205,804  
GS Mortgage Securities Corp. II, Series 2013-GC10, Class B, 3.68%, 2/10/46 (a)

1,255 1,255,236  
Hilton USA Trust, Series 2013- HLT, 4.41%, 11/05/30

2,950 3,020,517  
JPMBB Commercial Mortgage Securities Trust, Series 2013-C15, Class D, 5.25%, 11/15/45 (a)(b)

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800 794,388

JPMorgan Chase Commercial Mortgage Securities Corp., Series 2004-LN2, Class A2, 5.12%, 7/15/41

105 105,659

JPMorgan Chase Commercial Mortgage Securities Trust, Series 2006-CB14, Class AM, 5.62%, 12/12/44 (b)

330 346,995

LB-UBS Commercial Mortgage Trust (b):

Series 2004-C8, Class C, 4.93%, 12/15/39

1,385 1,391,847

Series 2007-C6, Class A4, 5.86%, 7/15/40

4,921 5,233,668

Series 2007-C7, Class A3, 5.87%, 9/15/45

1,100 1,223,175

Morgan Stanley Capital I Trust, Series 2007-HQ11, Class A4, 5.45%, 2/12/44 (b)

4,000 4,327,020

RCMC LLC, Series 2012-CRE1, Class A, 5.62%, 11/15/44 (a)

659 679,405

Titan Europe PLC, Series 2007-1X, Class A, 0.81%, 1/20/17 (b)

GBP

1,607 2,535,059

Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class A4, 6.14%, 2/15/51 (b)

USD

2,285 2,478,192

WF-RBS Commercial Mortgage Trust, Series 2012-C8:

Class B, 4.31%, 8/15/45

700 736,370

Class C, 5.04%, 8/15/45 (b)

900 963,951



53,138,328

**Interest Only Collateralized Mortgage Obligations 0.0%**

GSMPs Mortgage Loan Trust, Series 1998-5, 0.00%, 6/19/27 (a)(b)

1,488 15

**Interest Only Commercial Mortgage-Backed Securities 0.8%**

Morgan Stanley Bank of America Merrill Lynch Trust, Series 2012-C5, Class XA, 2.02%, 8/15/45 (a)(b)

15,562 1,372,238

WF-RBS Commercial Mortgage Trust, Class XA (a)(b):

Series 2012-C8, 2.37%, 8/15/45

5,957 651,685

Series 2012-C9, 2.39%, 11/15/45

10,497 1,233,122

3,257,045

**Total Non-Agency Mortgage-Backed Securities 15.1%**

62,160,830

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

**Preferred Securities Par**

**(000) Value**

**Capital Trusts**

**Banks 0.7%**

BNP Paribas SA, 7.20% (a)(b)(i)

USD

1,000 \$ 1,167,500

Wachovia Capital Trust III, 5.57% (b)(i)

1,025 1,004,500

Wells Fargo & Co., Series S, 5.90% (b)(i)

795 832,763

3,004,763

**Capital Markets 1.4%**

The Bank of New York Mellon Corp., Series D, 4.50% (b)(i)

4,202 3,939,375

Credit Suisse Group AG, 7.50% (a)(b)(i)

1,500 1,627,500

State Street Capital Trust IV, 1.23%, 6/15/37 (b)

70 60,462

5,627,337

**Diversified Financial Services 4.4%**

Citigroup, Inc., Series D, 5.35% (b)(i)

1,050 1,002,612

Citigroup, Inc., Series M, 6.30% (b)(i)

2,000 2,035,000  
Credit Agricole SA, 7.88% (a)(b)(i)

1,000 1,078,750  
General Electric Capital Corp., Series B, 6.25% (b)(i)

900 1,004,625  
JPMorgan Chase & Co.:

Series 1, 7.90% (b)(i)

3,500 3,871,875  
Series Q, 5.15% (b)(i)

1,500 1,460,625  
Series V, 5.00% (b)(i)

3,000 2,974,968  
Morgan Stanley, Series H, 5.45% (b)(i)

875 890,313  
Societe Generale SA (a)(b)(i):

6.00%

2,860 2,731,300  
7.88%

1,000 1,042,700

18,092,768  
**Electric Utilities 0.5%**

Electricite de France SA, 5.25% (a)(b)(i)

2,100 2,168,250  
**Insurance 4.3%**

The Allstate Corp.,

5.75%, 8/15/53 (b)

1,000 1,070,000

6.50%, 5/15/57 (b)(d)

2,150 2,356,937

American International Group, Inc., 8.18%, 5/15/58 (b)

970 1,336,175

AXA SA, 6.46% (a)(b)(i)

1,025 1,087,781

Genworth Holdings, Inc., 6.15%, 11/15/66 (b)

1,150 1,012,000

Liberty Mutual Group, Inc., 7.00%, 3/07/37 (a)(b)

975 1,035,937

Lincoln National Corp., 6.05%, 4/20/67 (b)

750 769,688

Metlife Capital Trust IV, 7.88%, 12/15/37 (a)

645 823,988

MetLife, Inc., 6.40%, 12/15/36

3,500 3,946,250

Swiss Re Capital I LP, 6.85% (a)(b)(d)(i)

1,060 1,115,650

Voya Financial, Inc., 5.65%, 5/15/53 (b)

2,250 2,289,375

XL Group PLC, Series E, 6.50% (b)(i)

810 782,663

17,626,444  
**Total Capital Trusts 11.3%**  
 46,519,562

---

**Preferred Stocks**

**Shares**

**Banks 1.3%**

U.S. Bancorp, 6.00% (b)

150,000 4,108,500  
 Wells Fargo & Co., 5.85% (b)

38 977,625

5,086,125  
**Capital Markets 0.4%**

The Goldman Sachs Group, Inc., Series J, 0.00% (b)

46,000 1,126,080  
 SCE Trust III, 0.00% (b)

12,657 336,423

1,462,503  
**Thriffs & Mortgage Finance 0.0%**

Fannie Mae, Series S, 8.25% (b)

10,000 110,000  
**Total Preferred Stocks 1.7%**

6,658,628  
**Trust Preferred 0.1% Par**  
**(000) Value**  
**Banks 0.1%**

Citigroup Capital XIII, 7.88% 10/30/40 (i)

USD

14,810 \$ 400,913

**Total Preferred Securities 13.1%**

53,579,103

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**US Government Sponsored Agency Securities**

**Agency Obligations 3.3%**

Fannie Mae (d):

0.00%, 10/09/19 (j)

7,305 6,465,736  
5.63%, 7/15/37

825 1,125,863  
Federal Home Loan Bank (d):

5.25%, 12/09/22

700 843,929  
5.37%, 9/09/24

1,100 1,349,412  
Resolution Funding Corp., 0.00%, 4/15/30 (j)

6,055 3,672,660

13,457,600  
**Collateralized Mortgage Obligations 0.1%**

Fannie Mae Mortgage-Backed Securities:

Series 2005-5, Class PK, 5.00%, 12/25/34

273 289,490  
Series 1991-87, Class S, 26.27%, 8/25/21 (b)

10 14,705

Series G-49, Class S, 1,018.68%, 12/25/21 (b)

(k) 286

Series G-17, Class S, 1,064.92%, 6/25/21 (b)

49 767

Series G-33, Class PV, 1,078.42%, 10/25/21

49 488

Series G-07, Class S, 1,127.09%, 3/25/21 (b)

(k) 842

Series 1991-46, Class S, 2,483.51%, 5/25/21 (b)

26 1,559

Freddie Mac Mortgage-Backed Securities:

Series 0173, Class R, 9.00%, 11/15/21

3 3

Series 0173, Class RS, 9.50%, 1/15/21 11/15/21 (b)

(k) 4

Series 0075, Class RS, 50.25%, 1/15/21 (b)

(k) 1

Series 1057, Class J, 1,008.00%, 3/15/21

20 272

Series 0019, Class R, 16,324.45%, 3/15/20 (b)

1 208

308,625

**Commercial Mortgage-Backed Securities 0.7%**

Freddie Mac Mortgage-Backed Securities (b):

Series 2013-K24, Class B, 3.62%, 11/25/45 (a)

1,750 1,728,745

Series K013, Class A2, 3.97%, 1/25/21

930 1,016,225

Series 2012-K706, Class C, 4.16%, 11/25/44 (a)

170 175,514

2,920,484

**Interest Only Collateralized Mortgage Obligations 1.8%**

Fannie Mae Mortgage-Backed Securities:

Series 1997-50, Class SI, 1.20%, 4/25/23 (b)

88 2,803

Series 2012-96, Class DI, 4.00%, 2/25/27

6,075 670,295

Series 2012-M9, Class X1, 4.23%, 12/25/17 (b)

12,519 1,347,498

Series 2012-47, Class NI, 4.50%, 4/25/42

4,646 772,445

Series 089, Class 2, 8.00%, 10/25/18

1 109

Series 007, Class 2, 8.50%, 4/25/17

1 77

Series G92-05, Class H, 9.00%, 1/25/22

10 960

Series 094, Class 2, 9.50%, 8/25/21



1 126

Series 1990-136, Class S, 19.92%, 11/25/20 (b)

3,187 4,471

Series 1991-139, Class PT, 648.35%, 10/25/21

55 564

Series 1991-099, Class L, 930.00%, 8/25/21

24 304

Series 1990-123, Class M, 1,009.50%, 10/25/20

5 71

Series G-10, Class S, 1,090.36%, 5/25/21 (b)

134 3,275

Series G-12, Class S, 1,157.49%, 5/25/21 (b)

96 1,898

See Notes to Financial Statements.

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**BlackRock Income Opportunity Trust, Inc. (BNA)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

**U.S. Government Sponsored Agency Securities**

**Par**

**(000) Value**

**Interest Only Collateralized Mortgage Obligations (concluded)**

Freddie Mac Mortgage-Backed Securities:

Series K707, Class X1, 1.69%, 12/25/18 (b)

USD

2,482 \$ 143,836

Series K710, Class X1, 1.91%, 5/25/19 (b)

8,558 609,036

Series 2611, Class QI, 5.50%, 9/15/32

828 89,875

Series 1254, Class Z, 8.50%, 4/15/22

32 8,174

Series 1043, Class H, 44.31%, 2/15/21 (b)

2,421 4,730

Series 1054, Class I, 868.00%, 3/15/21 (b)

18 344

Series 0176, Class M, 1,010.00%, 7/15/21

8 147

Series 1056, Class KD, 1,084.50%, 3/15/21

13 211

Series 1148, Class E, 1,178.74%, 10/15/21 (b)

36 639

Series 0200, Class R, 198,052.82%, 12/15/22 (b)

(k) 317

Ginnie Mae Mortgage-Backed Securities (b):

Series 2009-78, Class SD, 6.04%, 9/20/32

4,817 927,776

Series 2009-116, Class KS, 6.32%, 12/16/39

2,386 370,399

Series 2011-52, Class NS, 6.52%, 4/16/41

13,067 2,397,384

7,357,764

**Mortgage-Backed Securities 7.3%**

Fannie Mae Mortgage-Backed Securities:

3.00%, 9/01/44 (1)

6,800 6,770,250

4.00%, 12/01/41 9/01/44 (1)

4,940 5,240,778

4.50%, 7/01/41 9/01/44 (1)

12,018 12,988,199

5.00%, 8/01/34

2,093 2,312,704

5.50%, 7/01/16 6/01/38

1,254 1,402,461

6.00%, 3/01/16 12/01/38

1,053 1,183,731

Ginnie Mae Mortgage-Backed Securities, 8.00%, 7/15/24

(k) 303

29,898,426

**Principal Only Collateralized Mortgage Obligations 0.0%**

Fannie Mae Mortgage-Backed Securities:

Series 228, Class 1, 0.00%, 2/25/23 6/25/23

11 10,050

Series 1993-51, Class E, 0.01%, 2/25/23

16 14,900

24,950

**Total U.S. Government Sponsored Agency Securities 13.2%**

53,967,849

**U.S. Treasury Obligations**

**Par  
(000)**

**Value**

U.S. Treasury Bonds:

6.13%, 8/15/29 (d)

USD

2,500 \$3,567,577

5.38%, 2/15/31 (d)

375 505,840

3.50%, 2/15/39 (d)

2,865 3,117,031

**U.S. Treasury Obligations Par  
(000) Value**

U.S. Treasury Bonds (concluded):

4.38%, 5/15/40 (d)

USD

8,225 \$10,277,392

4.75%, 2/15/41 (d)

1,621 2,146,559  
4.38%, 5/15/41 (d)

805 1,009,520  
3.13%, 11/15/41 (d)

9,925 10,073,956  
3.13%, 2/15/42 (d)

2,368 2,400,560  
3.00%, 5/15/42 (d)

2,730 2,699,288  
3.13%, 2/15/43 (d)

2,344 2,365,470  
3.75%, 11/15/43

1,065 1,205,114  
3.63%, 2/15/44 (d)

5,000 5,534,375  
3.38%, 5/15/44

2,000 2,115,000  
U.S. Treasury Notes (d):

1.50%, 1/31/19

5,100 5,096,415  
1.75%, 5/15/22

152 147,867  
2.50%, 5/15/24

2,450 2,485,028  
**Total U.S. Treasury Obligations 13.3%**  
54,746,992

**Total Long-Term Investments**

(Cost \$557,866,610) 144.8%

594,144,609

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**Short-Term Securities**

**Shares**

BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (m)(n)

3,425,318 3,425,318

**Total Short-Term Securities**

(Cost \$3,425,318) 0.8%

3,425,318

---

**Options Purchased**

(Cost \$1,408,661) 0.2%

954,199

**Total Investments Before Options Written**

(Cost \$562,700,589) 145.8%

598,524,126

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**Options Written**

(Premiums Received \$3,351,152) (0.6)%

(2,588,336)

**Total Investments, Net of Options Written**

(Cost \$559,349,437) 145.2%

595,935,790

**Liabilities in Excess of Other Assets (45.2)%**

(185,433,229)

**Net Assets 100.0%**

\$410,502,561

**Notes to Schedule of Investments**

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) When-issued security. Unsettled when-issued transactions were as follows:

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation</b>
Bank of America N.A.	\$1,869,000	
Barclays Capital, Inc.	\$2,119,050	

- (d) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (e) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (f) Non-income producing security.
- (g) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (h) Convertible security.

See Notes to Financial Statements.

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## BlackRock Income Opportunity Trust, Inc. (BNA)

## Schedule of Investments (continued)

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

(j) Zero-coupon bond.

(k) Amount is less than \$500.

(l) Represents or includes a TBA transaction. Unsettled TBA transactions as of August 31, 2014 were as follows:

Counterparty	Value	Unrealized Appreciation (Depreciation)
Credit Suisse Securities (USA) LLC	\$6,770,250	\$105,188
Goldman Sachs & Co.	\$2,124,987	\$ 15,351
J.P. Morgan Securities LLC	\$9,180,000	\$ 25,234

(m) Investments in issuers considered to be an affiliate of the Trust during the year ended August 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31, 2013	Net Activity	Shares Held at August 31, 2014	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	6,904,938	(3,479,620)	3,425,318	\$1,754

(n) Represents the current yield as of report date.  
Reverse repurchase agreements outstanding as of August 31, 2014 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date <sup>1</sup>	Face Value	Face Value Including Accrued Interest
Credit Suisse Securities (USA) LLC	0.35%	01/13	Open	\$ 1,793,610	\$ 1,803,672
Credit Suisse Securities (USA) LLC	0.35%	01/13	Open	1,937,250	1,948,117
Merrill Lynch, Pierce, Fenner & Smith Inc.	0.14%	02/13	Open	6,446,662	6,455,786
Merrill Lynch, Pierce, Fenner & Smith Inc.	0.14%	02/13	Open	908,250	909,535
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,967,006	1,976,855
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,460,625	1,467,938
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,232,000	1,238,169
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,751,625	1,760,395
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	599,688	602,690
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,363,838	1,370,666
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,505,318	1,512,855
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,372,250	1,379,121
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,600,156	1,608,168



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Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,317,750	1,324,348
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	262,813	264,128
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,359,375	1,366,181
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	1,284,050	1,290,479
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	361,875	363,687
Credit Suisse Securities (USA) LLC	0.35%	03/13	Open	411,500	413,560
Merrill Lynch, Pierce, Fenner & Smith Inc.	0.09%	05/13	Open	10,877,562	10,883,283
Merrill Lynch, Pierce, Fenner & Smith Inc.	0.08%	05/13	Open	3,262,519	3,264,991
Merrill Lynch, Pierce, Fenner & Smith Inc.	0.07%	05/13	Open	3,560,880	3,563,923
BNP Paribas Securities Corp.	0.04%	09/13	Open	1,045,494	1,045,813
BNP Paribas Securities Corp.	0.07%	09/13	Open	2,212,665	2,213,797
Barclays Capital, Inc.	0.35%	02/13	Open	3,344,932	3,359,047
BNP Paribas Securities Corp.	0.06%	02/13	Open	493,594	493,806
BNP Paribas Securities Corp.	0.13%	02/13	Open	1,077,656	1,078,795
BNP Paribas Securities Corp.	0.32%	02/13	Open	2,886,000	2,897,134
BNP Paribas Securities Corp.	0.34%	03/13	Open	3,568,000	3,579,322
BNP Paribas Securities Corp.	0.34%	02/13	Open	1,825,000	1,830,395
BNP Paribas Securities Corp.	0.35%	02/13	Open	4,559,100	4,572,974
Credit Suisse Securities (USA) LLC	0.35%	02/13	Open	2,119,906	2,126,357
Deutsche Bank Securities, Inc.	0.35%	03/13	Open	3,829,000	3,840,354
UBS Securities LLC	0.28%	01/14	Open	3,396,000	3,401,335
UBS Securities LLC	0.32%	01/14	Open	696,000	697,250
UBS Securities LLC	0.32%	01/14	Open	343,000	343,616
UBS Securities LLC	0.32%	01/14	Open	1,355,000	1,357,433
UBS Securities LLC	0.32%	01/14	Open	1,416,000	1,418,543
UBS Securities LLC	0.33%	01/14	Open	1,349,000	1,351,498
UBS Securities LLC	0.33%	01/14	Open	1,124,000	1,126,081
UBS Securities LLC	0.34%	01/14	Open	779,000	780,486
UBS Securities LLC	0.34%	01/14	Open	753,000	754,437
UBS Securities LLC	0.34%	01/14	Open	3,716,000	3,723,089

See Notes to Financial Statements.

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## BlackRock Income Opportunity Trust, Inc. (BNA)

## Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of August 31, 2014 were as follows (concluded):

Counterparty	Interest Rate	Start Date	Maturity Date	Face Value	Face Value	Face Value Including Accrued Interest
UBS Securities LLC	0.32%	10/14	Open	\$ 844,000	\$	845,610
UBS Securities LLC	0.32%	10/14	Open	886,000		887,690
UBS Securities LLC	0.32%	10/14	Open	995,000		996,954
UBS Securities LLC	0.40%	10/14	Open	496,000		497,113
RBC Capital Markets, LLC	0.13%	13/14	Open	5,037,500		5,039,907
Deutsche Bank Securities, Inc.	0.14%	16/14	Open	1,300,000		1,300,545
Deutsche Bank Securities, Inc.	0.34%	21/14	Open	2,090,000		2,092,612
Deutsche Bank Securities, Inc.	0.35%	13/14	Open	931,000		931,967
Deutsche Bank Securities, Inc.	0.35%	13/14	Open	670,000		670,696
Deutsche Bank Securities, Inc.	0.35%	13/14	Open	873,000		873,907
UBS Securities LLC	0.32%	14/14	Open	1,605,000		1,606,569
UBS Securities LLC	0.35%	14/14	Open	845,000		845,878
UBS Securities LLC	0.35%	14/14	Open	793,000		793,824
UBS Securities LLC	0.35%	14/14	Open	1,172,000		1,173,218
UBS Securities LLC	0.35%	14/14	Open	832,000		832,890
UBS Securities LLC	0.33%	14/14	Open	1,109,000		1,110,254
UBS Securities LLC	0.46%	14/14	Open	3,870,000		3,874,730
Barclays Capital, Inc.	0.35%	14/14	Open	1,008,000		1,009,709
Barclays Capital, Inc.	0.35%	14/14	Open	1,252,000		1,253,289
Barclays Capital, Inc.	0.35%	14/14	Open	354,000		354,397
Barclays Capital, Inc.	0.35%	14/14	Open	1,782,000		1,783,834
BNP Paribas Securities Corp.	0.05%	20/14	Open	3,521,875		3,522,485
Barclays Capital, Inc.	(1.75%)	25/14	Open	1,107,160		1,103,500
Deutsche Bank Securities, Inc.	0.07%	13/14	Open	2,431,625		2,431,260
BNP Paribas Securities Corp.	0.08%	7/14	Open	9,478,375		9,479,533
BNP Paribas Securities Corp.	0.08%	7/14	Open	2,535,488		2,535,797
BNP Paribas Securities Corp.	0.10%	7/14	Open	145,540		145,562
BNP Paribas Securities Corp.	0.32%	7/14	Open	2,282,000		2,283,116
BNP Paribas Securities Corp.	0.32%	7/14	Open	490,000		490,240
BNP Paribas Securities Corp.	0.33%	7/14	Open	2,300,000		2,301,160
BNP Paribas Securities Corp.	0.33%	7/14	Open	968,000		968,488
BNP Paribas Securities Corp.	0.33%	7/14	Open	2,780,000		2,781,402
BNP Paribas Securities Corp.	0.34%	7/14	Open	2,162,000		2,163,123
BNP Paribas Securities Corp.	0.34%	7/14	Open	1,069,000		1,069,555
BNP Paribas Securities Corp.	0.34%	7/14	Open	853,000		853,443
BNP Paribas Securities Corp.	0.34%	7/14	Open	1,823,000		1,823,947
BNP Paribas Securities Corp.	0.09%	7/14	Open	5,112,750		5,113,364
BNP Paribas Securities Corp.	0.08%	7/14	Open	1,935,000		1,935,290
RBC Capital Markets, LLC	0.37%	17/14	Open	1,656,000		1,656,719

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Credit Suisse Securities (USA) LLC	0.18% 2/11/14	11,372,000	11,372,885
<b>Total</b>		\$171,292,262	\$171,566,571

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

Financial futures contracts outstanding as of August 31, 2014 were as follows:

<b>Contracts Purchased/ (Sold)</b>	<b>Issue</b>	<b>Exchange</b>	<b>Expiration</b>	<b>Notional Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
65	Long U.S. Treasury Bond	Chicago Board of Trade	December 2014	USD 9,106,094	\$33,565
120	Ultra Long U.S. Treasury Bond	Chicago Board of Trade	December 2014	USD 18,660,000	143,270
48	2-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	USD 10,514,250	4,903
(186)	5-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	USD 22,103,484	(27,711)
(242)	10-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	USD 30,439,063	(88,508)
<b>Total</b>					\$65,519

Forward foreign currency exchange contracts outstanding as of August 31, 2014 were as follows:

<b>Currency Purchased</b>	<b>Currency Sold</b>	<b>Counterparty</b>	<b>Settlement Date</b>	<b>Unrealized Appreciation</b>
USD 2,467,443	EUR1,824,000	JPMorgan Chase Bank N.A.	10/21/14	\$ 70,090
USD 11,244,889	GBP6,581,000	Bank of America N.A.	10/21/14	323,686
<b>Total</b>				\$ 393,776

See Notes to Financial Statements.

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## BlackRock Income Opportunity Trust, Inc. (BNA)

## Schedule of Investments (continued)

OTC interest rate swaptions purchased as of August 31, 2014 were as follows:

Position	Counterparty	Put/ Call	Exercise Rate	Pay/Receive Exercise Rate	Floating Rate Index	Expiration Date	Notional Amount (000)	Market Value
Interest Rate Swap	Credit Suisse International	Call	2.40%	Receive	3-month LIBOR	9/02/14	USD 11,200	\$1,000
Interest Rate Swap	Deutsche Bank AG	Call	3.30%	Receive	3-month LIBOR	5/22/17	USD 4,400	37
Interest Rate Swap	Credit Suisse International	Put	3.45%	Pay	3-month LIBOR	9/02/14	USD 67,200	
Interest Rate Swap	Bank of America N.A.	Put	0.60%	Pay	3-month LIBOR	10/02/14	USD 11,950	27
Interest Rate Swap	Barclays Bank PLC	Put	4.55%	Pay	3-month LIBOR	4/25/17	USD 10,400	14
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	4.60%	Pay	3-month LIBOR	4/28/17	USD 10,400	14
Interest Rate Swap	Deutsche Bank AG	Put	4.30%	Pay	3-month LIBOR	5/22/17	USD 4,400	14
Interest Rate Swap	Deutsche Bank AG	Put	4.50%	Pay	3-month LIBOR	5/22/18	USD 6,000	14

\$ 9

OTC interest rate swaptions written as of August 31, 2014 were as follows:

Position	Counterparty	Put/ Call	Exercise Rate	Pay/Receive Exercise Rate	Floating Rate Index	Expiration Date	Notional Amount (000)	Market Value
Interest Rate Swap	Credit Suisse International	Call	2.60%	Pay	3-month LIBOR	9/02/14	USD 11,200	\$(104,000)
Interest Rate Swap	JPMorgan Chase Bank N.A.	Call	3.25%	Pay	3-month LIBOR	11/14/14	USD 6,300	(390,000)
Interest Rate Swap	Barclays Bank PLC	Call	3.26%	Pay	3-month LIBOR	11/14/14	USD 6,300	(393,000)
Interest Rate Swap	Deutsche Bank AG	Call	2.85%	Pay	3-month LIBOR	11/17/14	USD 7,500	(212,000)
Interest Rate Swap	Deutsche Bank AG	Call	2.80%	Pay	3-month LIBOR	2/10/15	USD 2,500	(62,000)
Interest Rate Swap	JPMorgan Chase Bank N.A.	Call	2.50%	Pay	3-month LIBOR	5/22/15	USD 12,000	(152,000)
Interest Rate Swap	Deutsche Bank AG	Call	3.10%	Pay	3-month LIBOR	2/26/16	USD 6,000	(241,000)
Interest Rate Swap	Deutsche Bank AG	Call	3.15%	Pay	3-month LIBOR	3/17/16	USD 6,000	(256,000)
Interest Rate Swap	Credit Suisse International	Put	3.10%	Receive	3-month LIBOR	9/02/14	USD 11,200	
Interest Rate Swap	Deutsche Bank AG	Put	2.80%	Receive	3-month LIBOR	9/15/14	USD 3,700	(416,000)
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	3.25%	Receive	3-month LIBOR	11/14/14	USD 6,300	(2,000)
Interest Rate Swap	Barclays Bank PLC	Put	3.26%	Receive	3-month LIBOR	11/14/14	USD 6,300	(2,000)
Interest Rate Swap	Deutsche Bank AG	Put	3.70%	Receive	3-month LIBOR	11/17/14	USD 7,500	(256,000)
Interest Rate Swap	Barclays Bank PLC	Put	3.15%	Receive	3-month LIBOR	11/24/14	USD 5,000	(4,100)
Interest Rate Swap	Deutsche Bank AG	Put	3.80%	Receive	3-month LIBOR	2/10/15	USD 2,500	(1,300)
Interest Rate Swap	Bank of America N.A.	Put	3.70%	Receive	3-month LIBOR	2/25/15	USD 1,500	(1,400)
Interest Rate Swap	Barclays Bank PLC	Put	3.65%	Receive	3-month LIBOR	4/15/15	USD 1,100	(2,500)
Interest Rate Swap	Deutsche Bank AG	Put	3.65%	Receive	3-month LIBOR	4/15/15	USD 900	(2,000)
Interest Rate Swap	Citibank N.A.	Put	3.65%	Receive	3-month LIBOR	4/15/15	USD 1,000	(2,200)
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	3.50%	Receive	3-month LIBOR	5/22/15	USD 12,000	(56,000)
Interest Rate Swap	Deutsche Bank AG	Put	4.15%	Receive	3-month LIBOR	2/26/16	USD 6,000	(44,000)
Interest Rate Swap	Citibank N.A.	Put	4.15%	Receive	3-month LIBOR	2/29/16	USD 6,000	(44,000)
Interest Rate Swap	Deutsche Bank AG	Put	4.05%	Receive	3-month LIBOR	4/18/16	USD 1,600	(16,000)
Interest Rate Swap	Barclays Bank PLC	Put	4.05%	Receive	3-month LIBOR	4/18/16	USD 1,700	(17,000)
Interest Rate Swap	Goldman Sachs Bank USA	Put	4.05%	Receive	3-month LIBOR	4/18/16	USD 1,700	(17,000)

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Interest Rate Swap	Citibank N.A.	Put	4.05%	Receive	3-month LIBOR	4/25/16	USD 5,000	(52,
Interest Rate Swap	BNP Paribas S.A.	Put	4.10%	Receive	3-month LIBOR	4/25/16	USD 3,600	(35,
Interest Rate Swap	Barclays Bank PLC	Put	4.05%	Receive	3-month LIBOR	4/25/17	USD 8,500	(191,
Interest Rate Swap	JPMorgan Chase Bank N.A.	Put	4.10%	Receive	3-month LIBOR	4/28/17	USD 8,500	(183,
Interest Rate Swap	Deutsche Bank AG	Put	6.00%	Receive	3-month LIBOR	5/22/18	USD 12,000	(95,

Centrally cleared interest rate swaps outstanding as of August 31, 2014 were as follows:

Fixed Rate	Floating Rate	Clearinghouse	Effective Date	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
0.56% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	6/25/15	USD 20,900	\$ (45,712 )
1.69% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	10/03/14 <sup>2</sup>	11/30/18	USD 10,300	(36,331 )
3.97% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	4/25/19 <sup>2</sup>	4/25/24	USD 4,900	(144,799 )
2.77% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	4/29/24	USD 400	(10,851 )
2.65% <sup>2</sup>	3-month LIBOR	Chicago Mercantile	N/A	6/30/24	USD 4,800	72,263
2.62% <sup>2</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/01/24	USD 500	6,132
2.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/18/24	USD 2,600	(38,543 )
2.59% <sup>2</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/22/24	USD 2,300	21,390
2.62% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	7/24/24	USD 3,100	36,045
2.63% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/07/24	USD 1,000	12,859
2.59% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/08/24	USD 1,000	9,132
2.59% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/08/24	USD 1,000	8,815
2.58% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	4,151

See Notes to Financial Statements.

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## BlackRock Income Opportunity Trust, Inc. (BNA)

## Schedule of Investments (continued)

Centrally cleared interest rate swaps outstanding  
as of August 31, 2014 were as follows (concluded):

Fixed Rate	Floating Rate	Clearinghouse	Effective Date	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
2.58% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	\$ 3,993
2.57% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	3,335
2.57% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/11/24	USD 500	3,403
2.55% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/12/24	USD 500	2,506
2.55% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/12/24	USD 500	2,596
2.56% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/22/24	USD 4,300	26,762
2.55% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	8/27/24	USD 4,800	22,372
2.49% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	N/A	9/02/24	USD 500	(2,634 )
3.19% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	4/22/15 <sup>2</sup>	4/22/25	USD 2,400	102,245
2.97% <sup>3</sup>	3-month LIBOR	Chicago Mercantile	6/03/15 <sup>2</sup>	6/03/25	USD 1,100	21,179
3.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	N/A	2/27/44	USD 2,500	(299,000 )
3.65% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	4/22/15 <sup>2</sup>	4/22/45	USD 1,100	(110,336 )
3.47% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	6/03/15 <sup>2</sup>	6/03/45	USD 500	(29,810 )
<b>Total</b>						<b>\$ (358,838 )</b>

<sup>1</sup> Trust pays the fixed rate and receives the floating rate.

<sup>2</sup> Forward swap.

<sup>3</sup> Trust receives the fixed rate and pays the floating rate.

OTC credit default swaps buy protection outstanding as of August 31, 2014 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Market Value	Premiums Paid	Unrealized Depreciation
Radian Group, Inc.	5.00	% Citibank N.A.	6/20/15	USD 1,400	\$(49,098)	\$13,035	\$(62,133 )
The New York Times Co.	1.00	% Barclays Bank PLC	12/20/16	USD 1,800	(19,416)	57,942	(77,358 )
<b>Total</b>						<b>\$(68,514)</b>	<b>\$ 70,977 \$(139,491)</b>

OTC credit default swaps sold protection outstanding as of August 31, 2014 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Credit Rating <sup>4</sup>	Notional Amount (000) <sup>5</sup>	Market Value	Premiums Received	Unrealized Appreciation
MetLife, Inc.	1.00%	Morgan Stanley Capital Services LLC	9/20/16	A-	USD910	\$14,641	\$(30,767 )	\$45,408
MetLife, Inc.	1.00%	Deutsche Bank AG	9/20/16	A-	USD730	11,745	(25,168 )	36,913
MetLife, Inc.	1.00%	Morgan Stanley Capital Services LLC	9/20/16	A-	USD275	4,424	(8,293 )	12,717
MetLife, Inc.	1.00%	Goldman Sachs Bank USA	9/20/16	A-	USD500	8,044	(16,778 )	24,822

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MetLife, Inc.	1.00%	Credit Suisse International	9/20/16	A-	USD545	8,768	(20,548 )	29,316
MetLife, Inc.	1.00%	Citibank N.A.	12/20/16	A-	USD298	5,130	(9,981 )	15,111
MetLife, Inc.	1.00%	Citibank N.A.	12/20/16	A-	USD290	4,981	(10,642 )	15,623

**Total** \$ 57,733 \$(122,177) \$ 179,910

<sup>4</sup> Using S&P's rating of the issuer.

<sup>5</sup> The maximum potential amount the Trust may pay should a negative credit event take place as defined under terms of the agreements.

For Trust compliance purposes, the Trust'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 investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See Notes to Financial Statements.

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## BlackRock Income Opportunity Trust, Inc. (BNA)

## Schedule of Investments (continued)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$17,676,727	\$8,793,910	\$26,470,637
Corporate Bonds		314,189,017	8,787,420	322,976,437
Foreign Agency Obligations		7,456,621		7,456,621
Municipal Bonds		12,786,140		12,786,140
Non-Agency Mortgage-Backed Securities		62,160,814	16	62,160,830
Preferred Securities	\$7,059,541	46,519,562		53,579,103
U.S. Government Sponsored Agency Securities		53,967,316	533	53,967,849
U.S. Treasury Obligations		54,746,992		54,746,992
Short-Term Securities	3,425,318			3,425,318
Options Purchased:				
Interest Rate Contracts		954,199		954,199
<b>Total</b>	<b>\$10,484,859</b>	<b>\$570,457,388</b>	<b>\$17,581,879</b>	<b>\$ 598,524,126</b>

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>1</sup>				
<b>Assets:</b>				
Credit contracts		\$179,910		\$179,910
Foreign currency exchange contracts		393,776		393,776
Interest rate contracts	\$181,738	359,178		540,916
<b>Liabilities:</b>				
Credit contracts		(139,491 )		(139,491 )
Interest rate contracts	(116,219)	(3,306,352 )		(3,422,571 )
<b>Total</b>	<b>\$ 65,519</b>	<b>\$ (2,512,979)</b>		<b>\$ (2,447,460)</b>

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

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2014.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of August 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:



	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Cash pledged for centrally cleared swaps	\$515,000			\$515,000
Cash pledged as collateral for reverse repurchase agreements	1,984,142			1,984,142
Cash pledged as collateral for OTC derivatives	590,000			590,000
Cash pledged for financial futures contracts	226,000			226,000
Foreign currency at value	304,703			304,703
<b>Liabilities:</b>				
Bank overdraft		\$(48,720 )		(48,720 )
Cash received as collateral for reverse repurchase agreements		(2,162,000 )		(2,162,000 )
Reverse repurchase agreements		(171,566,571)		(171,566,571)
<b>Total</b>	<b>\$ 3,619,845</b>	<b>\$(173,777,291)</b>		<b>\$(170,157,446)</b>

See Notes to Financial Statements.

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## BlackRock Income Opportunity Trust, Inc. (BNA)

## Schedule of Investments (concluded)

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

	Common Stocks	Asset-Backed Securities	Corporate Bonds	US Government Non-Agency Mortgage-Backed Securities	Sponsored Agency Securities	Total
<b>Assets:</b>						
Opening Balance, as of August 31, 2013	\$ 396,800	\$ 10,488,482	\$ 6,294,250	\$ 25	\$ 717	\$ 17,180,274
Transfers into Level 3						
Transfers out of Level 3 <sup>1</sup>		(6,442,285)				(6,442,285)
Accrued discounts/premiums		(326,626)			(1)	(326,627)
Net realized gain	430,152	37,567				467,719
Net change in unrealized appreciation/depreciation <sup>2,3</sup>	(396,800)	289,291	228,061	(9)	(183)	120,360
Purchases		8,243,356	2,265,109			10,508,465
Sales	(430,152)	(3,495,875)				(3,926,027)
<b>Closing Balance, as of August 31, 2014</b>		\$ 8,793,910	\$ 8,787,420	\$ 16	\$ 533	\$ 17,581,879
Net change in unrealized appreciation/depreciation on investments held as of August 31, 2014 <sup>3</sup>		\$ 284,059	\$ 228,061	\$ (9)	\$ (183)	\$ 511,928

As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$6,442,285 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup>Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments held as of August 31, 2014 is generally due to investments no longer held or categorized as level 3 at period end.

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

See Notes to Financial Statements.

**BlackRock Income Trust, Inc. (BKT)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments August 31, 2014

**Asset-Backed Securities Par****(000) Value****Asset Backed Securities 0.8%**

First Franklin Mortgage Loan Trust, Series 2005-FF2, Class M2, 0.82%, 3/25/35 (a)

\$ 1,600 \$ 1,598,261

Securitized Asset Backed Receivables LLC Trust, Series 2005-OP2, Class M1, 0.59%, 10/25/35 (a)

1,875 1,636,687

Small Business Administration Participation Certificates, Class 1:

Series 1996-20E, 7.60%, 5/01/16

41 42,525

Series 1996-20G, 7.70%, 7/01/16

40 41,645

Series 1996-20H, 7.25%, 8/01/16

47 48,339

Series 1996-20K, 6.95%, 11/01/16

134 139,480

Series 1997-20C, 7.15%, 3/01/17

51 53,476

3,560,413

**Interest Only Asset Backed Securities 0.1%**

Small Business Administration, Series 2000-1, 1.00%, 4/01/15

603 5,275

Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (b)

2,704 196,016

Sterling Coofs Trust, Series 2004-1, Class A, 2.00%, 4/15/29 (b)

6,190 425,581

626,872

**Total Asset-Backed Securities 0.9%**

4,187,285

**Non-Agency Mortgage-Backed Securities****Collateralized Mortgage Obligations 1.0%**

Collateralized Mortgage Obligation Trust, Series 40, Class R, 580.48%, 4/01/18

34 35

Deutsche Securities, Inc. Mortgage Alternate Loan Trust, Series 2006-AR5, Class 22A, 5.50%, 10/25/21

433 424,399

Homebanc Mortgage Trust, Series 2005-4, Class A1, 0.43%, 10/25/35 (a)

2,367 2,125,706

Kidder Peabody Acceptance Corp., Series 1993-1, Class A6, 16.33%,  
8/25/23 (a)

44 49,217

Residential Funding Securities LLC, Series 2003-RM2, Class AI5, 8.50%, 5/25/33

892 944,903

Structured Adjustable Rate Mortgage Loan Trust, Series 2004-11, Class A, 2.53%, 8/25/34 (a)

1,039 1,040,706

4,584,966

**Commercial Mortgage-Backed Securities 0.5%**

Credit Suisse Commercial Mortgage Trust, Series 2007-C2, Class A3, 5.54%, 1/15/49 (a)

2,420 2,626,559

**Interest Only Collateralized Mortgage Obligations 0.7%**

Bank of America Mortgage Securities, Inc., Series 2003-3, Class 1A, 0.00%, 5/25/33 (a)

25,607 240,012

CitiMortgage Alternative Loan Trust, Series 2007-A5, Class 1A7, 6.00%, 5/25/37

643 160,321

First Boston Mortgage Securities Corp., Series C, 10.97%, 4/25/17

5 321

GSMPs Mortgage Loan Trust, Series 1998-5, 0.00%, 6/19/27 (a)(b)

2,959 30

IndyMac INDX Mortgage Loan Trust, Series 2006-AR33, Class 4AX, 0.17%, 1/25/37

66,451 172,173

MASTR Adjustable Rate Mortgages Trust, Series 2004-3, Class 3AX, 0.98%, 4/25/34 (c)

7,398 82,074

MASTR Alternative Loans Trust, Series 2003-9, Class 15X2, 6.00%, 1/25/19

228 28,695

**Non-Agency Mortgage-Backed SecuritiesPar**

**(000) Value**

**Interest Only Collateralized Mortgage Obligations (concluded)**

Morgan Stanley Mortgage Loan Trust, Series 2004-3, Class 1AX, 5.00%, 5/25/19

\$ 226 \$ 15,653

Sequoia Mortgage Trust, Series 2005-2, Class XA, 0.00%, 3/20/35 (a)

34,199 550,389

Structured Adjustable Rate Mortgage Loan Trust, Series 2006-7, Class 3AS, 4.70%, 8/25/36 (a)

17,034 2,076,051

Vendee Mortgage Trust, Series 1999-2, Class 1, 0.00%, 5/15/29 (a)

37,576 38

3,325,757

**Principal Only Collateralized Mortgage Obligations 0.2%**

Countrywide Home Loan Mortgage Pass-Through Trust (d):

Series 2003-J5, 0.00%, 7/25/33

202 179,334

Series 2003-J8, 0.00%, 9/25/23

121 108,358

Drexel Burnham Lambert CMO Trust, Class 1 (d):

Series K, 0.00%, 9/23/17

3 2,661

Series V, 0.00%, 9/01/18

3 3,018

Residential Asset Securitization Trust, Series 2005-A15, Class 1A8, 0.00%, 2/25/36 (d)

515 340,438

Structured Mortgage Asset Residential Trust, Series 1993-3C, Class CX, 0.00%, 4/25/24 (d)

6 5,291

Washington Mutual Alternative Mortgage Pass-Through Certificates, Series 2005-9, Class CP, 0.00%, 11/25/35 (d)

222 156,689

795,789

**Total Non-Agency Mortgage-Backed Securities 2.4%**

11,333,071

## U.S. Government Sponsored Agency Securities

**Agency Obligations 2.5%**

Federal Housing Administration:

USGI Projects, Series 99, 7.43%, 6/01/21 10/01/23

3,590 3,491,131

Reilly Projects, Series 41, 8.28%, 3/01/20

122 120,396

Resolution Funding Corp., 0.00%, 4/15/30 (d)

13,000 7,885,150

11,496,677

**Collateralized Mortgage Obligations 63.1%**

Fannie Mae Mortgage-Backed Securities:

Series 2014-28, Class BD, 3.50%, 1/25/42 8/25/43

24,285 25,194,360

Series 2011-117, Class CP, 4.00%, 12/25/40 11/25/41

17,410 18,993,586

Series 2011-99, Class CB, 4.50%, 10/25/41

43,000 48,350,232

Series 2010-47, Class JB, 5.00%, 5/25/30

10,000 11,244,100

Series 2003-135, Class PB, 6.00%, 1/25/34

12,264 13,757,449

Series 2004-31, Class ZG, 7.50%, 5/25/34

3,969 4,610,998

Series 1993-247, Class SN, 10.00%, 12/25/23 (a)

191 234,620

Series 2005-73, Class DS, 17.15%, 8/25/35 (a)

1,419 1,772,474

Series 1991-87, Class S, 26.27%, 8/25/21 (a)

22 32,131

Series G-49, Class S, 1,018.68%, 12/25/21 (a)

(e) 613

Series G-17, Class S, 1,064.92%, 6/25/21 (a)

105 1,647

Series G-33, Class PV, 1,078.42%, 10/25/21

106 1,048

Series G-07, Class S, 1,127.09%, 3/25/21 (a)

(e) 1,809

Series 1991-46, Class S, 2,483.51%, 5/25/21 (a)

55 3,347

See Notes to Financial Statements.

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**BlackRock Income Trust, Inc. (BKT)**  
**(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

**U.S. Government Sponsored Agency SecuritiesPar  
(000) Value**

**Collateralized Mortgage Obligations (concluded)**

Freddie Mac Mortgage-Backed Securities:

Series T-11, Class A9, 2.87%, 1/25/28 (a)  
\$1,403 \$ 1,447,887

Series 4242, Class PA, 3.50%, 5/15/41  
9,109 9,540,411

Series 4016, Class BX, 4.00%, 11/15/40 9/15/41  
26,292 27,779,550

Series 4316, Class VB, 4.50%, 8/15/32 3/15/34  
20,787 23,135,875

Series 3856, Class PB, 5.00%, 5/15/41  
10,000 11,624,290

Series 2927, Class BZ, 5.50%, 5/15/23 2/15/35  
11,076 12,163,196

Series 2542, Class UC, 6.00%, 12/15/22  
3,266 3,606,946

Series 0040, Class K, 6.50%, 8/17/24  
187 210,787

Series 2218, Class Z, 8.50%, 3/15/20 3/15/30  
3,112 3,657,807

Series 0173, Class R, 9.00%, 11/15/21  
7 7

Series 0173, Class RS, 9.34%, 11/15/21 (a)  
(e) 7

Series 0075, Class R, 9.50%, 1/15/21  
(e) 1

Series 2861, Class AX, 10.57%, 9/15/34 (a)  
51 54,099

Series 1160, Class F, 39.50%, 10/15/21 (a)  
11 20,973

Series 0075, Class RS, 50.25%, 1/15/21 (a)  
(e) 1

Series 1057, Class J, 1,008.00%, 3/15/21  
43 584

Series 0192, Class U, 1,009.03%, 2/15/22 (a)  
1 23

Series 0019, Class R, 16,324.45%, 3/15/20 (a)  
3 447

Ginnie Mae Mortgage-Backed Securities:

Series 2010-099, Class JM, 3.75%, 12/20/38  
19,300 20,154,295

Series 2011-88, Class PY, 4.00%, 1/20/39 6/20/41  
51,891 54,908,163

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Series 2004-89, Class PE, 6.00%, 10/20/34  
679 716,320

Series 1996-5, Class Z, 7.00%, 5/16/26  
307 343,897

293,563,980

**Interest Only Collateralized Mortgage Obligations 4.2%**

Fannie Mae Mortgage-Backed Securities:

Series 1997-50, Class SI, 1.20%, 4/25/23 (a)  
176 5,606

Series G92-60, Class SB, 1.60%, 10/25/22 (a)  
114 3,997

Series 2013-45, Class EI, 4.00%, 2/25/27 4/25/43  
24,799 3,243,298

Series 2010-74, Class DI, 5.00%, 12/25/39  
12,454 1,137,288

Series 1997-90, Class M, 6.00%, 1/25/28  
2,554 457,468

Series 1999-W4, 6.50%, 12/25/28  
170 27,966

Series 2011-124, Class GS, 6.55%, 3/25/37 (a)  
16,672 2,334,914

Series 1993-199, Class SB, 7.22%, 10/25/23 (a)  
203 16,534

Series 089, Class 2, 8.00%, 10/25/18  
3 234

Series 007, Class 2, 8.50%, 4/25/17  
2 166

Series G92-05, Class H, 9.00%, 1/25/22  
27 2,469

Series 094, Class 2, 9.50%, 8/25/21  
1 271

Series 1990-136, Class S, 19.92%, 11/25/20 (a)  
6,843 9,599

Series 1991-139, Class PT, 648.35%, 10/25/21  
118 1,211

Series 1991-099, Class L, 930.00%, 8/25/21  
51 652

Series 1990-123, Class M, 1,009.50%, 10/25/20  
11 152

Series G92-12, Class C, 1,016.90%, 2/25/22  
101 1,030

Series G-10, Class S, 1,090.36%, 5/25/21 (a)  
288 7,031

Series G-12, Class S, 1,157.49%, 5/25/21 (a)  
205 4,074



**U.S. Government Sponsored Agency Securities Par  
(000) Value  
Interest Only Collateralized Mortgage Obligations (concluded)**

Freddie Mac Mortgage-Backed Securities:

Series 2559, 0.50%, 8/15/30 (a)  
\$79 \$968  
Series 3744, Class PI, 4.00%, 1/15/35 6/15/39  
42,473 4,722,955  
Series 4026, 4.50%, 4/15/32  
5,107 880,171  
Series 2611, Class QI, 5.50%, 9/15/32  
1,512 164,035  
Series 1043, Class H, 44.31%, 2/15/21 (a)  
5,199 10,156  
Series 1054, Class I, 868.03%, 3/15/21 (a)  
40 738  
Series 0176, Class M, 1,010.00%, 7/15/21  
17 316  
Series 1056, Class KD, 1,084.50%, 3/15/21  
28 452  
Series 1148, Class E, 1,178.74%, 10/15/21 (a)  
77 1,372  
Series 0200, Class R, 198,052.81%, 12/15/22 (a)  
1 682

Ginnie Mae Mortgage-Backed Securities (a):

Series 2009-116, Class KS, 6.32%, 12/16/39  
2,756 427,784  
Series 2011-52, Class MJ, 6.49%, 4/20/41  
15,479 3,078,266  
Series 2011-52, Class NS, 6.52%, 4/16/41  
17,234 3,161,893

19,703,748

**Mortgage-Backed Securities 86.3%**

Fannie Mae Mortgage-Backed Securities:

3.00%, 1/01/43 (f)  
28,523 28,482,853  
3.50%, 10/01/42 9/01/44 (f)(g)  
35,277 36,351,638  
4.00%, 1/01/41 9/01/42 (f)  
33,413 35,455,671  
4.50%, 8/01/25 9/01/44 (f)(g)  
98,139 106,990,282  
5.00%, 1/01/23 9/01/44 (f)(g)  
77,766 86,183,840  
5.50%, 9/01/29 10/01/39 (f)(g)

37,743 41,578,939  
 5.97%, 8/01/16  
 2,931 3,155,417  
 6.00%, 9/01/44 10/01/44 (g)  
 43,600 49,128,343  
 6.50%, 12/01/37 10/01/39 (f)  
 11,303 12,788,854  
 7.50%, 2/01/22  
 (e) 63  
 9.50%, 1/01/19 9/01/19  
 2 1,873

Freddie Mac Mortgage-Backed Securities:

2.48%, 1/01/35 (a)  
 184 186,558  
 2.51%, 11/01/17 (a)  
 8 8,368  
 2.55%, 10/01/34 (a)  
 200 200,289  
 5.00%, 2/01/22 4/01/22  
 335 363,812  
 9.00%, 9/01/20  
 19 20,685

Ginnie Mae Mortgage-Backed Securities:

7.50%, 8/15/21 12/15/23  
 119 125,752  
 8.00%, 10/15/22 8/15/27  
 52 56,322  
 9.00%, 4/15/20 9/15/21  
 4 4,415

401,083,974

**Principal Only Collateralized Mortgage Obligations 0.3%**

Fannie Mae Mortgage-Backed Securities (d):

Series 1999-W4, 0.00%, 2/25/29  
 94 86,346  
 Series 2002-13, Class PR, 0.00%, 2/25/21 3/25/32  
 346 326,394  
 Freddie Mac Mortgage-Backed Securities, 0.00%, 11/15/22 11/15/28 (d)  
 822 768,398

1,181,138

**Total U.S. Government Sponsored Agency Securities 156.4%**

727,029,517

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**U.S. Treasury Obligations**

U.S. Treasury Notes:

1.63%, 8/31/19 (h)		
4,780	4,779,254	
1.00%, 11/30/19 (f)		
2,965	2,858,678	
1.63%, 11/15/22		
780	746,607	
2.50%, 5/15/24		
1,440	1,460,588	
<b>Total U.S. Treasury Obligations</b>	<b>2.1%</b>	
9,845,127		
<b>Total Long-Term Investments</b>		
<b>(Cost \$747,376,081)</b>	<b>161.8%</b>	
752,395,000		

See Notes to Financial Statements.

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**BlackRock Income Trust, Inc. (BKT)**

Schedule of Investments (continued) (Percentages shown are based on Net Assets)

**Short-Term Securities**

**Shares Value**

**Money Market Funds 1.7%**

BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (i)(j)

8,012,499 \$8,012,499

**Par**

**(000)**

**Borrowed Bond Agreement 0.2%**

Credit Suisse Securities (USA) LLC, 0.06%, Open (Purchased on 7/23/14 to be repurchased at \$837,054, collateralized by U.S. Treasury Bonds, 2.75%, par and fair values of \$917,000 and \$859,687, respectively)

\$837 837,000

**Total Short-Term Securities**

**(Cost \$8,849,499) 1.9%**

8,849,499

**Total Investments Before Borrowed Bonds and TBA Sale Commitments**

**(Cost \$756,225,580) 163.7%**

761,244,499

**Borrowed Bonds Par**

**(000) Value**

U.S. Treasury Bonds, 2.75%, 11/15/42

\$917 \$(859,687)

**Total Borrowed Bonds**

**(Proceeds \$842,347) (0.2)%**

(859,687)

**TBA Sale Commitments (g)**

Fannie Mae Mortgage-Backed Securities:

4.50%, 9/01/29

4,700 (4,966,395)

5.00%, 9/01/29 10/01/44

26,100 (28,742,926)

6.00%, 9/01/44

21,800 (24,586,312)

**Total TBA Sale Commitments**

**(Proceeds \$58,228,891) (12.5)%**

(58,295,633)

**Total Investments, Net of Borrowed Bonds and**

**TBA Sale Commitments 151.0%**

702,089,179

**Liabilities in Excess of Other Assets (51.0)%**

(237,156,666)

**Net Assets 100.0%**

\$464,932,513

**Notes to Schedule of Investments**

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (d) Zero-coupon bond.
- (e) Amount is less than \$500.
- (f) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (g) Represents or includes a TBA transaction. Unsettled TBA transactions as of August 31, 2014 were as follows:

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
Credit Suisse Securities (USA) LLC	\$21,789,416	\$ 138,229
Deutsche Bank Securities, Inc.	\$7,075,105	\$ (1,653 )
Goldman Sachs & Co.	\$1,303,031	\$ 7,594
J.P. Morgan Securities LLC	\$1,322,203	\$ 5,074

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

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation</b>
J.P. Morgan Securities LLC	\$4,779,254	\$ 7,097

- (i) Investments in issuers considered to be an affiliate of the Trust during the year ended August 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

<b>Affiliate</b>	<b>Shares Held at August 31, 2013</b>	<b>Net Activity</b>	<b>Shares Held at August 31, 2014</b>	<b>Income</b>
BlackRock Liquidity Funds, TempFund, Institutional Class	14,996,794	(6,984,295)	8,012,499	\$3,704

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

Reverse repurchase agreements outstanding as of August 31, 2014 were as follows:

<b>Counterparty</b>	<b>Interest Rate</b>	<b>Trade Date</b>	<b>Maturity Date<sup>1</sup></b>	<b>Face Value</b>	<b>Face Value Including</b>
---------------------	--------------------------	-----------------------	--------------------------------------	-------------------	---------------------------------

					<b>Accrued Interest</b>
Credit Suisse Securities (USA) LLC	0.15%	12/10/13	Open	\$ 17,914,714	\$ 17,929,673
BNP Paribas Securities Corp.	0.09%	7/07/14	Open	2,831,575	2,831,964
Credit Suisse Securities (USA) LLC	0.14%	8/12/14	9/11/14	153,535,000	153,546,942
Credit Suisse Securities (USA) LLC	0.14%	8/12/14	9/11/14	31,104,000	31,106,419
<b>Total</b>				\$ 205,385,289	\$ 205,414,998

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (continued)

Financial futures contracts outstanding as of August 31, 2014 were as follows:

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
(41)	90-Day Euro-Dollar	Chicago Mercantile	September 2014	\$10,225,913	\$(42,315)
(164)	2-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	\$35,923,688	(20,277)
(52)	5-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	\$ 6,179,469	(7,747)
(200)	10-Year U.S. Treasury Note	Chicago Board of Trade	December 2014	\$25,156,250	(6,433)
(641)	Long U.S. Treasury Bond	Chicago Board of Trade	December 2014	\$89,800,094	(601,120)
(85)	Ultra Long U.S. Treasury Bond	Chicago Board of Trade	December 2014	\$13,217,500	(101,721)
(41)	90-Day Euro-Dollar	Chicago Mercantile	December 2014	\$10,223,862	(48,196)
(41)	90-Day Euro-Dollar	Chicago Mercantile	March 2015	\$10,213,612	(43,759)
(12)	90-Day Euro-Dollar	Chicago Mercantile	June 2015	\$ 2,983,800	(2,123)
(12)	90-Day Euro-Dollar	Chicago Mercantile	December 2015	\$ 2,970,150	4,927
(12)	90-Day Euro-Dollar	Chicago Mercantile	March 2016	\$ 2,962,800	8,302
<b>Total</b>					<u>\$ (860,462)</u>

Centrally cleared interest rate swaps outstanding as of August 31, 2014 were as follows:

Fixed Rate	Floating Rate	Clearinghouse	Expiration Date	Notional Amount (000)	Unrealized Appreciation
0.46% <sup>1</sup>	3-month LIBOR	Chicago Mercantile	6/11/15	\$100	\$141

OTC interest rate swaps outstanding as of August 31, 2014 were as follows:

Fixed Rate	Floating Rate	Counterparty	Expiration Date	Notional Amount (000)	Market Value	Premiums Received	Unrealized Appreciation (Depreciation)
88% <sup>1</sup>	3-month LIBOR	UBS AG	3/21/15	USD 25,000	\$626,334		\$626,334
87% <sup>1</sup>	3-month LIBOR	Goldman Sachs Bank USA	1/25/16	USD 5,500	335,111		335,111
81% <sup>1</sup>	3-month LIBOR	Citibank N.A.	2/06/16	USD 20,000	661,695		661,695
72% <sup>1</sup>	3-month LIBOR	JPMorgan Chase Bank N.A.	7/14/16	USD 5,400	506,017		506,017
31% <sup>2</sup>	3-month LIBOR	Deutsche Bank AG	10/01/18	USD 60,000	(6,648,452)		(6,648,452)
43% <sup>1</sup>	3-month LIBOR	JPMorgan Chase Bank N.A.	3/28/21	USD 6,000	502,799	\$(183,998)	686,797
41% <sup>1</sup>	3-month LIBOR	JPMorgan Chase Bank N.A.	8/15/22	USD 9,565	2,216,240		2,216,240
<b>Total</b>						\$(1,800,256)	\$(1,616,258)

<sup>1</sup> Trust pays the floating rate and receives the fixed rate.

<sup>2</sup> Trust pays the fixed rate and receives the floating rate.

For Trust compliance purposes, the Trust'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 investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

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

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

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



input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (continued)

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$3,560,413	\$626,872	\$4,187,285
Non-Agency Mortgage-Backed Securities		8,624,522	2,708,549	11,333,071
U.S. Government Sponsored Agency Securities		723,416,845	3,612,672	727,029,517
U.S. Treasury Obligations		9,845,127		9,845,127
Short-Term Securities:				
Money Market Funds	\$8,012,499			8,012,499
Borrowed Bond Agreement		837,000		837,000
<b>Liabilities:</b>				
Investments:				
Borrowed Bonds		(859,687 )		(859,687 )
TBA Sale Commitments		(58,295,633 )		(58,295,633 )
<b>Total</b>	\$ 8,012,499	\$ 687,128,587	\$6,948,093	\$ 702,089,179

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>1</sup>				
<b>Assets:</b>				
Interest rate contracts	\$13,229	\$5,032,335		\$5,045,564
<b>Liabilities:</b>				
Interest rate contracts	(873,691 )	(6,648,452 )		\$(7,522,143 )
<b>Total</b>	\$ (860,462)	\$ (1,616,117)		\$(2,476,579)

<sup>1</sup> Derivative financial instruments are swaps and financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

There were no

transfers  
between  
Level 1  
and  
Level 2  
during  
the year  
ended  
August  
31, 2014.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of August 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged as collateral for OTC derivatives	\$7,700,000			\$7,700,000
Cash pledged as collateral for reverse repurchase agreements	173,000			173,000
Cash pledged for financial futures contracts	2,009,000			2,009,000
Cash pledged for centrally cleared swaps	10,000			10,000
<b>Liabilities:</b>				
Bank overdraft		\$(79 )		\$(79 )
Cash received as collateral for OTC derivatives		(5,260,000 )		(5,260,000 )
Reverse repurchase agreements		(205,414,998)		(205,414,998)
<b>Total</b>	<b>\$ 9,892,000</b>	<b>\$(210,675,077)</b>		<b>\$(200,783,077)</b>

See Notes to Financial Statements.

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## BlackRock Income Trust, Inc. (BKT)

## Schedule of Investments (concluded)

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

	Asset-Backed Securities	Non-Agency Mortgage-Backed Securities	US Government Sponsored Agency Securities	Total
<b>Assets:</b>				
Opening Balance, as of August 31, 2013	\$ 695,051	\$2,808,305	\$ 7,314,558	\$10,817,914
Transfers into Level 3				
Transfers out of Level 3 <sup>1</sup>			(3,143,245)	(3,143,245)
Accrued discounts/premiums	(371,145)		(13,012)	(384,157)
Net realized gain (loss)		10	(16,767)	(16,757)
Net change in unrealized appreciation/depreciation <sup>2,3</sup>	302,966	(99,756)	16,958	220,168
Purchases				
Sales		(10)	(545,822)	(545,832)
<b>Closing Balance, as of August 31, 2014</b>	<b>\$ 626,872</b>	<b>\$2,708,549</b>	<b>\$ 3,612,672</b>	<b>\$ 6,948,093</b>
Net change in unrealized appreciation/depreciation on investments held as of August 31, 2014 <sup>3</sup>	\$ 302,966	\$ (99,756)	\$ 16,958	\$ 220,168

<sup>1</sup> As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of August 31, 2014, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$3,143,245 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

<sup>3</sup> Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments held as of August 31, 2014 is generally due to investments no longer held or categorized as level 3 at period end.

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

See Notes to Financial Statements.



## Statements of Assets and Liabilities

<b>August 31, 2014</b>	<b>BlackRock Core Bond Trust (BHK)</b>	<b>BlackRock Corporate High Yield Fund, Inc. (HYT)*</b>	<b>BlackRock Income Opportunity Trust, Inc. (BNA)</b>	<b>BlackRock Income Trust, Inc. (BKT)</b>
<b>Assets</b>				
Investments at value unaffiliated	\$ 596,447,752	\$2,383,983,860	\$ 595,098,808	\$ 753,232,000
Investments at value affiliated	742,474	3,602,081	3,425,318	8,012,499
Cash	38,897			
Cash pledged for financial futures contracts	122,000	3,198,000	226,000	2,009,000
Cash pledged as collateral for reverse repurchase agreements			1,984,142	173,000
Cash pledged as collateral for OTC derivatives	1,200,000	1,970,000	590,000	7,700,000
Cash pledged for centrally cleared swaps	516,000		515,000	10,000
Interest receivable	6,452,194	33,200,680	6,565,872	2,657,275
TBA sale commitments receivable				58,228,891
Investments sold receivable	177,530	17,388,648	522,868	102,629
Unrealized appreciation on OTC derivatives	178,514	2,657,749	179,910	5,032,194
Dividends receivable	13,711	98,107	13,711	
Swaps receivable	6,521	202,777	6,335	812,964
Swap premiums paid	70,996	156,624	70,977	
Variation margin receivable on financial futures contracts	20,000		18,125	156,594
Unrealized appreciation on forward foreign currency exchange contracts	395,247	7,247,593	393,776	

Principal paydowns receivable				35,506
Foreign currency at value <sup>3</sup>	15,884	529,079	304,703	
Variation margin receivable on centrally cleared swaps				20
Deferred offering costs		115,121		
Prepaid expenses	7,068	29,658	7,031	10,927
Total assets	606,404,788	2,454,379,977	609,922,576	838,173,499
<b>Liabilities</b>				
Bank overdraft		224,629	48,720	79
Cash received as collateral for reverse repurchase agreements	2,378,000		2,162,000	
Cash received as collateral for OTC derivatives		2,700,000		5,260,000
Borrowed bonds at value <sup>4</sup>				859,687
Options written at value <sup>5</sup>	2,580,908		2,588,336	
Bank borrowings payable		723,000,000		
Reverse repurchase agreements	168,300,777		171,566,571	205,414,998
Investments purchased payable	19,789,437	18,869,689	21,936,026	94,483,764
TBA sale commitments at value <sup>6</sup>				58,295,633
Unrealized depreciation on OTC derivatives	139,535		139,491	6,648,452
Swap premiums received	121,185	368,840	122,177	183,998
Unrealized depreciation on forward foreign currency exchange contracts	5,496	304,747		
	252,975	1,228,637	206,443	256,171

Investment advisory fees payable				
Swaps payable	18,099		18,097	1,127,872
Interest expense payable		558,092		17,393
Officers and Trustees fees payable	62,798	403,461	139,422	154,203
Income dividends payable	50,924	437,048	70,420	65,466
Variation margin payable on financial futures contracts	40,558	155,496	51,432	13,606
Variation margin payable on centrally cleared swaps	3,203		1,758	
Administration fees payable			34,455	59,239
Reorganization costs payable	180,616	13,125	77,383	222,279
Offering costs payable		144,142		
Other liabilities	240,760		101,591	
Other accrued expenses payable	161,105	549,971	155,693	178,146
Total liabilities	194,326,376	748,957,877	199,420,015	373,240,986
<b>Net Assets</b>	<b>\$ 412,078,412</b>	<b>\$1,705,422,100</b>	<b>\$ 410,502,561</b>	<b>\$ 464,932,513</b>
<sup>1</sup> Investments at cost unaffiliated	\$560,291,925	\$2,320,027,105	\$559,275,271	\$748,213,081
<sup>2</sup> Investments at cost affiliated	\$ 742,474	\$ 3,602,081	\$ 3,425,318	\$ 8,012,499
<sup>3</sup> Foreign currency at cost	\$ 13,065	\$ 531,034	\$ 307,617	
<sup>4</sup> Proceeds received from borrowed bonds				\$ 842,347
<sup>5</sup> Premiums received	\$ 3,343,622	\$	\$ 3,351,152	
<sup>6</sup> Proceeds from TBA sale commitments				\$ 58,228,891

See Notes to Financial Statements.



## Statements of Assets and Liabilities (concluded)

	<b>BlackRock Core Bond Trust (BHK)</b>	<b>BlackRock Corporate High Yield Fund, Inc. (HYT)*</b>	<b>BlackRock Income Opportunity Trust, Inc. (BNA)</b>	<b>BlackRock Income Trust, Inc. (BKT)</b>
<b>August 31, 2014</b>				
<b>Net Assets Consist of</b>				
Paid-in capital <sup>7,8,9</sup>	\$ 378,734,616	\$ 1,788,506,929	\$ 385,469,263	\$ 478,274,443
Undistributed net investment income	2,988,893	1,526,183	2,921,368	9,245,640
Accumulated net realized loss	(6,665,710)	(157,363,092)	(14,609,287)	(25,045,827)
Net unrealized appreciation/depreciation	37,020,613	72,752,080	36,721,217	2,458,257
<b>Net Assets</b>	<b>\$ 412,078,412</b>	<b>\$ 1,705,422,100</b>	<b>\$ 410,502,561</b>	<b>\$ 464,932,513</b>
Net asset value per share	\$ 15.24	\$ 13.47	\$ 11.91	\$ 7.27
<sup>7</sup> Par Value	\$0.001	\$0.100	\$0.010	\$0.010
<sup>8</sup> Shares outstanding	27,041,847	126,599,668	34,456,370	63,942,535
<sup>9</sup> Shares authorized	unlimited	200 million	200 million	200 million

\*Consolidated Statement of Assets and Liabilities  
See Notes to Financial Statements.

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## Statements of Operations

<b>Year Ended August 31, 2014</b>	<b>BlackRock Core Bond Trust (BHK)</b>	<b>BlackRock Corporate High Yield Fund, Inc. (HYT)<sup>1</sup></b>	<b>BlackRock Income Opportunity Trust, Inc. (BNA)</b>	<b>BlackRock Income Trust, Inc. (BKT)</b>
<b>Investment Income</b>				
Interest	\$ 27,122,967	\$ 121,549,309	\$ 26,967,255	\$ 26,885,874
Dividends unaffiliated	308,188	2,880,665	310,486	
Dividends affiliated	1,865	987	1,754	3,704
Total income	27,433,020	124,430,961	27,279,495	26,889,578
<b>Expenses</b>				
Investment advisory	3,100,274	12,173,549	2,353,384	3,033,540
Administration			392,231	700,048
Professional	118,462	340,094	94,161	86,488
Transfer agent	56,173	220,351	63,657	110,593
Custodian	46,807	272,008	48,052	53,307
Accounting services	58,279	194,538	58,010	67,315
Officer and Trustees	44,767	189,644	55,589	65,385
Reorganization	226,142	62,381	377,383	267,805
Printing	19,029	39,487	18,984	20,373
Registration	9,010	33,224	11,456	21,191
Offering		29,671		
Miscellaneous	85,119	258,408	77,828	52,115
Total expenses excluding interest expense and income tax	3,764,062	13,813,355	3,550,735	4,478,160
Interest expense	410,344	5,305,355	420,378	302,522
Income tax		65,185		
Total expenses	4,174,406	19,183,895	3,971,113	4,780,682
Less fees paid indirectly	(24)	(300)	(190)	(109)
Less fees waived by Manager	(172,812)	(1,724)	(3,720)	(7,128)
Less reorganization costs reimbursed by Manager			(300,000)	
Total expenses after fees waived	4,001,570	19,181,871	3,667,203	4,773,445
Net investment income	23,431,450	105,249,090	23,612,292	22,116,133
<b>Realized and Unrealized Gain (Loss)</b>				
Net realized gain (loss) from:				
Investments	3,820,509	58,972,474	4,214,581	1,490,649
Litigation proceeds	332,281	8,518	46,780	
Financial futures contracts	1,224,968	(3,219,276)	1,403,516	(11,396,693)
Foreign currency transactions	(1,158,403)	(3,086,490)	(1,284,711)	
Options written	522,931	191,073	524,192	
Swaps	(1,490,123)	(7,879,332)	(1,443,580)	503,189
	3,252,163	44,986,967	3,460,778	(9,402,855)
Net change in unrealized appreciation/depreciation on:				

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Investments	29,187,619	24,844,722	29,388,333	12,701,073
Financial futures contracts	(195,226)	(10,931)	(153,120)	157,699
Foreign currency translations	461,808	5,205,406	507,997	
Options written	1,293,405	24,288	1,296,453	
Swaps	(765,497)	1,770,558	(813,520)	(865,533)
Borrowed bonds				(98,864)
Unfunded floating rate loan interests		(12,443)		
	29,982,109	31,821,600	30,226,143	11,894,375
Net realized and unrealized gain	33,234,272	76,808,567	33,686,921	2,491,520
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$ 56,665,722</b>	<b>\$182,057,657</b>	<b>\$ 57,299,213</b>	<b>\$ 24,607,653</b>

<sup>1</sup> Consolidated Statement of Operations.  
See Notes to Financial Statements.

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## Statements of Changes in Net Assets

	<b>BlackRock Core Bond Trust (BHK)</b>	
	<b>Year Ended August 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Increase (Decrease) in Net Assets:</b>		
<b>Operations</b>		
Net investment income	\$ 23,431,450	\$ 24,077,362
Net realized gain	3,252,163	1,698,305
Net change in unrealized appreciation/depreciation	29,982,109	(31,803,836)
Net increase (decrease) in net assets resulting from operations	56,665,722	(6,028,169)
<b>Dividends to Shareholders From<sup>1</sup></b>		
Net investment income	(24,499,913)	(25,416,860)
<b>Capital Share Transactions</b>		
Reinvestment of dividends		221,789
<b>Net Assets</b>		
Total increase (decrease) in net assets	32,165,809	(31,223,240)
Beginning of year	379,912,603	411,135,843
End of year	\$ 412,078,412	\$ 379,912,603
Undistributed net investment income, end of year	\$ 2,988,893	\$ 5,180,547

	<b>BlackRock Corporate High Yield Fund Inc. (HYT)</b>	
	<b>Year Ended August 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Increase (Decrease) in Net Assets:</b>		
<b>Operations</b>		
Net investment income	\$ 105,249,090	\$ 35,346,627
Net realized gain	44,986,967	23,080,390
Net change in unrealized appreciation/depreciation	31,821,600	(8,840,108)
Net increase in net assets resulting from operations	182,057,657	49,586,909
<b>Dividends to Shareholders From<sup>1</sup></b>		
Net investment income	(101,824,719)	(39,195,248)
<b>Capital Share Transactions</b>		
Net proceeds from the issuance of shares due to reorganization	1,178,342,562	
Reinvestment of dividends		499,916
Net increase in net assets derived from capital share transactions	1,178,342,562	499,916

**Net Assets**

Total increase in net assets	1,258,575,500	10,891,577
Beginning of year	446,846,600	435,955,023
End of year	\$1,705,422,100	\$ 446,846,600
Undistributed net investment income, end of year	\$ 1,526,183	\$ 3,902,307

<sup>1</sup>Dividends for annual periods determined in accordance with federal income tax regulations.  
See Notes to Financial Statements.

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## Statements of Changes in Net Assets

<b>BlackRock Income Opportunity Trust, Inc. (BNA)</b>		
<b>Year Ended August 31,</b>		
	<b>2014</b>	<b>2013</b>
<b>Increase (Decrease) in Net Assets:</b>		
<b>Operations</b>		
Net investment income	\$ 23,612,292	\$ 23,559,363
Net realized gain	3,460,778	3,918,608
Net change in unrealized appreciation/depreciation	30,226,143	(34,000,708)
Net increase (decrease) in net assets resulting from operations	57,299,213	(6,522,737)
<b>Dividends to Shareholders From<sup>1</sup></b>		
Net investment income	(24,601,850)	(23,740,439)
<b>Net Assets</b>		
Total increase (decrease) in net assets	32,697,363	(30,263,176)
Beginning of year	377,805,198	408,068,374
End of year	\$ 410,502,561	\$ 377,805,198
Undistributed net investment income, end of year	\$ 2,921,368	\$ 5,082,132
<b>BlackRock Income Trust, Inc. (BKT)</b>		
<b>Year Ended August 31,</b>		
	<b>2014</b>	<b>2013</b>
<b>Increase (Decrease) in Net Assets:</b>		
<b>Operations</b>		
Net investment income	\$ 22,116,133	\$ 20,368,194
Net realized gain (loss)	(9,402,855)	516,801
Net change in unrealized appreciation/depreciation	11,894,375	(30,160,300)
Net increase (decrease) in net assets resulting from operations	24,607,653	(9,275,305)
<b>Dividends to Shareholders From<sup>1</sup></b>		
Net investment income	(27,623,179)	(30,628,476)
<b>Net Assets</b>		
Total decrease in net assets	(3,015,526)	(39,903,781)
Beginning of year	467,948,039	507,851,820
End of year	\$ 464,932,513	\$ 467,948,039
Undistributed net investment income, end of year	\$ 9,245,640	\$ 10,875,865

<sup>1</sup> Dividends for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

## Statements of Cash Flows

Year Ended August 31, 2014	BlackRock Core Bond Trust (BHK)	BlackRock Corporate High Yield Fund, Inc. (HYT) <sup>1</sup>	BlackRock Income Opportunity Trust, Inc. (BNA)	BlackRock Income Trust, Inc. (BKT)
<b>Cash Provided by Operating Activities</b>				
Net increase in net assets resulting from operations	\$ 56,665,722	\$ 182,057,657	\$ 57,299,213	\$ 24,600,000
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:				
(Increase) decrease in interest receivable	(30,919)	(703,126) <sup>2</sup>	(294,338)	6,000
(Increase) decrease in swaps receivable	6,680	(75,734)	6,901	1,000
Decrease in other assets	29,378		96,026	1,000
(Increase) decrease in prepaid expenses	5,561	(20,508) <sup>2</sup>	5,672	
(Increase) decrease in dividends receivable	(13,711)	54,081 <sup>2</sup>	(13,711)	
(Increase) decrease in variation margin receivable on financial futures contracts	167,771	2,015	181,121	(15,000)
(Increase) decrease in variation margin receivable on centrally cleared swaps	12,768		12,678	
(Increase) decrease in cash pledged as collateral for financial futures contracts	165,000	(2,452,000) <sup>2</sup>	227,000	38,000
Increase in cash pledged as collateral for centrally cleared swaps	(96,000)		(95,000)	
Increase in cash pledged as collateral for OTC derivatives	(510,000)	(770,000)	(20,000)	(4,800)
Decrease in cash pledged for reverse repurchase agreements	5,147,000		5,938,858	1,880,000
(Increase) decrease in swaps premiums paid	112,245	(57,867) <sup>2</sup>	41,242	
Increase (decrease) in investment advisory fees payable	8,010	(483,334) <sup>2</sup>	14,323	
Increase (decrease) in interest expense payable	(21,848)	(187,946) <sup>2</sup>	83,898	
Increase (decrease) in other accrued expenses payable	4,616	(165,690) <sup>2</sup>	2,444	1,000
	40,558	155,496 <sup>2</sup>	51,432	(22,000)

Increase (decrease) in variation margin payable on financial futures contracts				
Increase (decrease) in variation margin payable on centrally cleared swaps	3,203		1,758	
Decrease in swaps payable	(19,643)	(3,202)	(20,545)	(1)
Decrease in swaps premium received	(57,765)	(5,210,403) <sup>2</sup>	(58,183)	(2)
Increase in Officers and Trustees fees payable	7,613	272,882 <sup>2</sup>	35,416	4
Decrease in other liabilities		(457,953)	(777,755)	
Increase (decrease) in reorganization costs payable	180,616	13,125 <sup>2</sup>	77,383	22
Increase (decrease) in administration fees payable			2,366	
Increase in cash received as collateral for reverse repurchase agreements	2,378,000		2,162,000	
Increase (decrease) in cash received as collateral for over the counter swaps	(1,400,000)	200,000	(1,500,000)	74
Net realized gain on investments and written options	(3,238,825)	(51,356,670)	(3,510,291)	(1)
Net unrealized gain on investments, swaps and foreign currency translation	(30,562,253)	(31,832,531)	(30,859,938)	(11,84)
Amortization of premium and accretion of discount on investments	3,243,278	2,132,662	3,471,683	7,16
Premiums received from options written	5,119,437	814,307	5,133,210	
Proceeds from sales and principal paydowns of long-term investments	468,282,943	1,254,120,378 <sup>2</sup>	457,271,613	1,869,42
Purchases of long-term investments	(479,287,857)	(1,267,592,400) <sup>2</sup>	(470,884,125)	(1,923,90
Net proceeds from sales of short-term securities	4,593,017	12,063,421 <sup>2</sup>	3,479,620	6,99
Premiums (paid) received on closing options written	(2,054,956)	(1,056,096)	(2,061,900)	
Net cash provided by operating activities	28,879,639	89,460,564	25,500,071	(29,40
<b>Cash Used for Financing Activities</b>				
Proceeds from bank borrowings		619,000,000		
Payments on bank borrowings		(609,000,000)		
Payments for offering costs		(650)		



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Amortization of deferred offering costs		29,671		
Net borrowing of reverse repurchase agreements	(4,214,736)		(723,585)	57,07
Cash dividends paid to shareholders	(24,507,270)	(101,838,846)	(24,588,799)	(27,64
Increase (decrease) in bank overdraft	(157,427)	224,629	48,720	(1
Net cash used for financing activities	(28,879,433)	(91,585,196)	(25,263,664)	29,40

See Notes to Financial Statements.

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## Statements of Cash Flows (concluded)

Year Ended August 31, 2014	BlackRock Core Bond Trust (BHK)	BlackRock Corporate High Yield Fund, Inc. (HYT) <sup>1</sup>	BlackRock Income Opportunity Trust, Inc. (BNA)	BlackRock Income Trust, Inc. (BKT)
<b>Cash Impact from Foreign Exchange Fluctuations</b>				
Cash impact from foreign exchange fluctuations	\$ 1,790	\$ (4,222)	\$ (3,922)	
<b>Cash and Foreign Currency</b>				
Net increase (decrease) in cash and foreign currency	1,996	(2,128,854)	232,485	
Cash and foreign currency at beginning of year	52,785	2,657,933 <sup>3</sup>	72,218	
Cash and foreign currency at end of year	\$ 54,781	\$ 529,079	\$ 304,703	
<b>Supplemental Disclosure of Cash Flow Information</b>				
Cash paid during the period for interest	\$ 432,192	\$ 5,493,301	\$ 336,480	\$ 309,244
<b>Non-cash Financing Activities</b>				
Fair value of investments acquired through reorganization		\$1,691,534,575		
Capital shares issued in reorganization		\$1,178,342,562		

<sup>1</sup>Consolidated Statement of Cash Flows.

<sup>2</sup>Includes assets and liabilities acquired in reorganization.

<sup>3</sup>Includes cash and foreign currency acquired in reorganization of \$2,642,772.

See Notes to Financial Statements.

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## Financial Highlights

**BlackRock Core Bond Trust (BHK)**  
**Year Ended August 31,**

	2014	2013	2012
<b>Per Share Operating Performance</b>			
Net asset value, beginning of year	\$ 14.05	\$ 15.21	\$ 13.78
Net investment income <sup>1</sup>	0.87	0.89	0.88
Net realized and unrealized gain (loss)	1.23	(1.11)	1.37
Net increase (decrease) from investment operations	2.10	(0.22)	2.25
Dividends from net investment income <sup>2</sup>	(0.91)	(0.94)	(0.82)
Net asset value, end of year	\$ 15.24	\$ 14.05	\$ 15.21
Market price, end of year	\$ 13.64	\$ 12.50	\$ 15.41
<b>Total Return<sup>3</sup></b>			
Based on net asset value	16.09% <sup>4</sup>	(1.42)%	17.06%
Based on market price	16.78%	(13.43)%	28.78%
<b>Ratio to Average Net Assets</b>			
Total expenses	1.06% <sup>5</sup>	1.03%	0.95%
Total expenses after fees waived and paid indirectly	1.02% <sup>5</sup>	0.98%	0.94%
Total expenses after fees waived and paid indirectly and excluding interest expense	0.91% <sup>5</sup>	0.86%	0.86%
Net investment income	5.94%	5.92%	6.13%
<b>Supplemental Data</b>			
Net assets, end of year (000)	\$ 412,078	\$ 379,913	\$ 411,136
Borrowings outstanding, end of year (000)	\$ 168,301	\$ 172,537	\$ 182,679
Average borrowings outstanding, during the year (000)	\$ 169,493	\$ 187,038	\$ 143,234
Portfolio turnover rate <sup>6</sup>	82%	100%	290%
Asset coverage, end of year per \$1,000	\$ 3,448	\$ 3,202	\$ 3,251

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Dividends for annual periods determined in accordance with federal income tax regulations.

<sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>4</sup> Includes proceeds received from a settlement of litigation, which impacted the Fund's total return. Excluding these proceeds, the Fund's total return would have been 16.01%.

<sup>5</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.00 %, 0.96% and 0.85%, respectively.

<sup>6</sup> Includes mortgage dollar roll transactions. Additional information regarding portfolio turnover is as follows:

	Year Ended August 31,				
	2014	2013	2012	2011	2010
Portfolio turnover (excluding mortgage dollar roll transactions)	48%	63%	237%	544%	534%

See Notes to Financial Statements.



## Financial Highlights

BlackRock Corporate High Yield Fund, Inc. (HYT)  
Year Ended August 31

	2014 <sup>1</sup>	2013 <sup>1</sup>	2012 <sup>1</sup>
<b>Per Share Operating Performance</b>			
Net asset value, beginning of year	\$ 12.62	\$ 12.32	\$ 11.49
Net investment income <sup>2</sup>	0.98	1.00	1.04
Net realized and unrealized gain	0.91	0.41	0.83
Net increase (decrease) from investment operations	1.89	1.41	1.87
Dividends from net investment income <sup>3</sup>	(1.04)	(1.11)	(1.04)
Net asset value, end of year	\$ 13.47	\$ 12.62	\$ 12.32
Market price, end of year	\$ 12.07	\$ 11.37	\$ 12.96
<b>Total Return<sup>4</sup></b>			
Based on net asset value	16.21%	11.90%	17.14%
Based on market price	15.58%	(4.16)%	26.30%
<b>Ratio to Average Net Assets</b>			
Total expenses	1.35% <sup>5</sup>	1.54% <sup>6</sup>	1.51%
Total expenses after fees waived and paid indirectly	1.35% <sup>5</sup>	1.54% <sup>6</sup>	1.51%
Total expenses after fees waived and paid indirectly and excluding interest expense and income tax	0.98% <sup>5</sup>	1.16% <sup>6,7</sup>	1.19% <sup>8</sup>
Net investment income	7.40%	7.83%	8.84%
<b>Supplemental Data</b>			
Net assets, end of year (000)	\$ 1,705,422	\$ 446,847	\$ 435,955
Borrowings outstanding, end of year (000)	\$ 723,000	\$ 191,000	\$ 181,000
Average borrowings outstanding, during the year (000)	\$ 584,041	\$ 180,436	\$ 142,342
Portfolio turnover rate	64%	77%	61%
Asset coverage, end of year per \$1,000	\$ 3,359	\$ 3,340	\$ 3,409

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup> Dividends for annual periods determined in accordance with federal income tax regulations.

<sup>4</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>5</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.34 %, 1.34% and 0.97%, respectively.

<sup>6</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.50 %, 1.50% and 1.12%, respectively.

<sup>7</sup> For the year ended August 31, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 1.15%.

<sup>8</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.09%.

See Notes to Financial Statements.

## Financial Highlights

BlackRock Income Opportunity Trust, Inc. (BNA)  
Year Ended August 31,

	2014	2013	2012
<b>Per Share Operating Performance</b>			
Net asset value, beginning of year	\$ 10.96	\$ 11.84	\$ 10.77
Net investment income <sup>1</sup>	0.69	0.68	0.67
Net realized and unrealized gain (loss)	0.97	(0.87)	1.05
Net increase (decrease) from investment operations	1.66	(0.19)	1.72
Dividends from net investment income <sup>2</sup>	(0.71)	(0.69)	(0.65)
Net asset value, end of year	\$ 11.91	\$ 10.96	\$ 11.84
Market price, end of year	\$ 10.59	\$ 9.64	\$ 11.58
<b>Total Return<sup>3</sup></b>			
Based on net asset value	16.46%	(1.47)%	16.81%
Based on market price	17.73%	(11.39)%	24.92%
<b>Ratio to Average Net Assets</b>			
Total expenses	1.01% <sup>4</sup>	0.93%	0.90%
Total expenses after fees waived and paid indirectly	0.93% <sup>4</sup>	0.93%	0.90%
Total expenses after fees waived and paid indirectly and excluding interest expense	0.83% <sup>4</sup>	0.81%	0.82%
Net investment income	6.02%	5.82%	5.97%
<b>Supplemental Data</b>			
Net assets end of year (000)	\$ 410,503	\$ 377,805	\$ 408,068
Borrowings outstanding, end of year (000)	\$ 171,567	\$ 172,206	\$ 188,055
Average borrowings outstanding, during the year (000)	\$ 174,069	\$ 185,003	\$ 151,411
Portfolio turnover rate <sup>5</sup>	80%	101%	285%
Asset coverage, end of year per \$1,000	\$ 3,393	\$ 3,194	\$ 3,170

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Dividends for annual periods determined in accordance with federal income tax regulations.

<sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>4</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 0.92%, 0.84% and 0.73%, respectively.

<sup>5</sup> Includes mortgage dollar roll transactions. Additional information regarding portfolio turnover is as follows:

	Year Ended August 31,				
	2014	2013	2012	2011	2010
Portfolio turnover (excluding mortgage dollar roll transactions)	46%	63%	231%	492%	608%

See Notes to Financial Statements.

## Financial Highlights

**BlackRock Income Trust, Inc. (BKT)**  
**Year Ended August 31**

	2014	2013	2012
<b>Per Share Operating Performance</b>			
Net asset value, beginning of year	\$ 7.32	\$ 7.94	\$ 7.96
Net investment income <sup>1</sup>	0.35	0.32	0.39
Net realized and unrealized gain (loss)	0.03	(0.46)	0.06
Net increase (decrease) from investment operations	0.38	(0.14)	0.45
Dividends and distributions from: <sup>2</sup>			
Net investment income	(0.43)	(0.48)	(0.27)
Net realized gain			(0.20)
Total dividends and distributions	(0.43)	(0.48)	(0.47)
Net asset value, end of year	\$ 7.27	\$ 7.32	\$ 7.94
Market price, end of year	\$ 6.42	\$ 6.40	\$ 7.63
<b>Total Return<sup>3</sup></b>			
Based on net asset value	6.05%	(1.45)%	6.24%
Based on market price	7.12%	(10.34)%	13.19%
<b>Ratio to Average Net Assets</b>			
Total expenses	1.02% <sup>4</sup>	1.00%	0.97%
Total expenses after fees waived and paid indirectly	1.02% <sup>4</sup>	1.00%	0.97%
Total expenses after fees waived and paid indirectly and excluding interest expense	0.96% <sup>4</sup>	0.90%	0.90%
Net investment income	4.74%	4.18%	4.86%
<b>Supplemental Data</b>			
Net assets end of year (000)	\$ 464,933	\$ 467,948	\$ 507,852
Borrowings outstanding, end of year (000)	\$ 205,415	\$ 148,344	\$ 119,706
Average borrowings outstanding, during the year (000)	\$ 197,388	\$ 188,924	\$ 183,890
Portfolio turnover rate <sup>5</sup>	256%	358%	487%
Asset coverage, end of year per \$1,000	\$ 3,263	\$ 4,154	\$ 5,242

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Dividends and distributions for annual periods determined in accordance with federal income tax regulations.

<sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.

<sup>4</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 0.97%, 0.97% and 0.90%, respectively.

<sup>5</sup> Includes mortgage dollar roll transactions. Additional information regarding portfolio turnover is as follows:

	Year Ended August 31,				
	2014	2013	2012	2011	2010
Portfolio turnover (excluding mortgage dollar roll transactions)	125%	196%	230%	387%	207%

See Notes to Financial Statements.





## Notes to Financial Statements

**1. Organization:**

BlackRock Core Bond Trust ( BHK ), BlackRock Corporate High Yield Fund, Inc. (formerly known as BlackRock Corporate High Yield Fund VI, Inc.) ( HYT ), BlackRock Income Opportunity Trust, Inc. ( BNA ) and BlackRock Income Trust, Inc. ( BKT ) (collectively, the Trusts or individually as a Trust ) are registered under the 1940 Act, as diversified, closed-end management investment companies. HYT, BNA and BKT are organized as Maryland corporations. BHK is organized as a Delaware statutory trust. The Boards of Directors and Board of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Trustees . The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

**Reorganizations:** The Board and shareholders of HYT and the Board and shareholders of each of BlackRock Corporate High Yield Fund, Inc. (COY), BlackRock Corporate High Yield Fund III, Inc. (CYE), BlackRock Corporate High Yield Fund V, Inc. (HYV), BlackRock High Income Shares (HIS) and BlackRock High Yield Trust (BHY) (individually a HYT Target and collectively the HYT Target Funds ) approved the reorganizations of each HYT Target Fund into the Trust pursuant to which the Trust acquired substantially all of the assets and substantially all of the liabilities of each HYT Target Fund in exchange for an equal aggregate value of newly-issued shares of the Trust. On February 28, 2014, the Trust changed its name from BlackRock Corporate High Yield Fund VI, Inc. to BlackRock Corporate High Yield Fund, Inc.

Each Common Shareholder of HYT Target received Common Shares of HYT in an amount equal to the aggregate net asset value of such shareholder s Target Fund shares, as determined at the close of business on November 15, 2013, less the costs of the Target Fund s reorganization. Cash was distributed for any fractional shares.

The reorganizations were accomplished by a tax-free exchange of shares of HYT in the following amounts and at the following conversion ratios:

Target Fund	Shares Prior to Reorganization	Conversion Ratio	Shares of HYT
COY	35,027,459	0.59633674	20,888,115
CYE	37,552,995	0.61218457	22,989,338
HYV	33,015,111	1.02665810	33,895,222
HIS	54,848,390	0.17536312	9,618,090
BHY	6,431,296	0.58941105	3,790,663

Each HYT Target s net assets and composition of net assets on November 15, 2013, the valuation date of the reorganization, were as follows:

	Target Funds				
	COY	CYE	HYV	HIS	BHY
Net assets	\$269,933,969	\$297,104,927	\$438,025,175	\$124,291,816	\$48,986,675
Paid-in capital	\$305,529,497	\$325,149,382	\$469,523,241	\$151,358,421	\$57,800,581
Distributions in excess of net investment income	\$ (1,185,651)	\$ (1,350,006)	\$ (1,971,210)	\$ (754,598)	\$ (176,691)
Accumulated net realized loss	\$ (41,042,210)	\$ (35,328,795)	\$ (45,260,726)	\$ (28,812,095)	\$ (11,055,877)
Net	\$6,632,333	\$8,634,346	\$15,733,870	\$2,500,088	\$2,418,662

unrealized  
appreciation

For financial reporting purposes, assets received and shares issued by HYT were recorded at fair value. However, the cost basis of the investments received from the HYT Target were carried forward to align ongoing reporting of HYT's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets of HYT before the acquisition were \$457,705,742. The aggregate net assets of HYT immediately after the acquisition amounted to \$1,636,048,304. Each HYT Target's fair value and cost of investments and derivative financial instruments prior to the reorganization were as follows:

<b>Target Fund</b>	<b>Fair Value of Investments</b>	<b>Cost of Investments</b>
COY	\$390,967,349	\$384,382,845
CYE	\$426,116,528	\$417,548,014
HYV	\$635,374,976	\$619,705,167
HIS	\$168,353,486	\$165,699,553
BHY	\$69,538,358	\$67,121,555

The purpose of these transactions was to combine six funds managed by BlackRock Advisors, LLC (the Manager) with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. Each reorganization was a tax-free event and was effective on November 18, 2013.

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Notes to Financial Statements (continued)

Assuming the acquisition had been completed on September 1, 2013 the beginning of the fiscal reporting period of HYT, the pro forma results of operations for the year ended August 31, 2014, are as follows:

Net investment income: \$124,066,786

Net realized and change in unrealized gain/loss on investments: \$114,665,188

Net increase/decrease in net assets resulting from operations: \$238,731,974

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in HYT's Consolidated Statement of Operations since November 18, 2013.

Reorganization costs incurred in connection with the reorganizations were expensed by HYT.

On June 6, 2014, the Boards of BHK, BNA and BKT approved the reorganizations of BKT and BNA with and into BHK, with BHK continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the shareholders of BHK and BNA approved the reorganization of BNA with and into BHK, which is expected to be completed in late 2014. The reorganization of BKT with and into BHK was not approved by BKT shareholders. Consequently, the reorganization of BKT with and into BHK will not be completed. Regardless of whether the reorganizations are completed, the costs associated with the proposed reorganizations, including the costs associated with the shareholder meeting, will be borne directly by the respective Trust incurring the expense or allocated among BHK, BNA and BKT proportionately or on another reasonable basis, as appropriate. The Manager has agreed to pay \$300,000 of BNA's reorganization costs, which is shown as reorganization costs reimbursed by Manager in the Statements of Operations.

**Basis of Consolidation:** HYT's accompanying consolidated financial statements include the accounts of BLK HYT (Luxembourg) Investments, S.a.r.l., BLK HYV (Luxembourg) Investments, S.a.r.l., BLK COY (Luxembourg) Investments, S.a.r.l. and BLK CYE (Luxembourg) Investments, S.a.r.l. (the Taxable Subsidiaries), all of which are wholly owned Taxable Subsidiaries of HYT which hold shares of private Canadian companies, Laricina Energy Ltd. and Osum Oil Sands Corp. Such shares are held in the Taxable Subsidiaries in order to realize benefits under the Double Tax Avoidance Convention between Canada and Luxembourg, the result of which is gains on the sale of such shares will not be subject to capital gains taxes in Canada. Income earned on the investments held by the Taxable Subsidiaries may be taxable to such subsidiaries in Luxembourg. A tax provision, if any, is included in expenses in the Consolidated Statements of Operations. A tax provision for realized and unrealized gain, if any, is included as a reduction of realized and/or unrealized gain (loss) in the Consolidated Statements of Operations. The net assets of the Taxable Subsidiaries at August 31, 2014 were \$14,152,153 or 0.8% of HYT's consolidated net assets. Intercompany accounts and transactions, if any, have been eliminated. The Taxable Subsidiaries are subject to the same investment policies and restrictions that apply to the Trust.

**2. Significant Accounting Policies:**

The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The following is a summary of the significant accounting policies followed by the Trusts:

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

Bond investments are valued on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price.

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To-be-announced ( TBA ) commitments are valued on the basis of last available bid prices or current market quotations provided by pricing services. Swap agreements are valued utilizing quotes

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Notes to Financial Statements (continued)

received daily by the Trusts pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Certain centrally cleared swaps are valued at the price determined by the relevant exchange or clearinghouse. Investments in open-end registered investment companies are valued at NAV each business day.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Equity investments traded on a recognized securities exchange or the NASDAQ Stock Market ( NASDAQ ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid (long positions) or ask (short positions) price.

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

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

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

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of each Trust's net assets. If events (e.g., a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Global Valuation Committee, or its delegate, using a pricing service and/or policies approved by the Board. Each business day, the Trusts use a pricing service to assist with the valuation of certain foreign exchange-traded equity securities and foreign exchange-traded and OTC options (the Systematic Fair Value Price ). Using current market factors, the Systematic Fair Value Price

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is designed to value such foreign securities and foreign options at fair value as of the close of business on the NYSE, which follows the close of the local markets.

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

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Notes to Financial Statements (continued)

The Trusts do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated in the Statements of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. The Trusts report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for federal income tax purposes.

**Segregation and Collateralization:** In cases where a Trust enters into certain investments (e.g., dollar rolls, TBA sale commitments, financial futures contracts, forward foreign currency exchange contracts, options written, swaps and short sales) or certain borrowings (e.g., reverse repurchase transactions) that would be senior securities for 1940 Act purposes, each Trust may segregate or designate on its books and records cash or liquid securities having a market value at least equal to the amount of each Trust's future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty agreement, each Trust may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trusts are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the Plan) approved by each Trust's Board, the independent Trustees (Independent Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Deferred compensation liabilities are included in officer's and trustees' fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Trusts until such amounts are distributed in accordance with the Plan.

**Recent Accounting Standard:** In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance will require expanded disclosure for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings. It is effective for financial statements with fiscal years beginning on or after December 15, 2014 and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Funds' financial statement disclosures.

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

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

**3. Securities and Other Investments:**

**Asset-Backed and Mortgage-Backed Securities:** Certain Trusts may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of

assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the

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## Notes to Financial Statements (continued)

obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. In addition, the Trusts may subsequently have to reinvest the proceeds at lower interest rates. If the Trusts have purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

Certain Trusts may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the U.S. government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the Treasury.

**Collateralized Debt Obligations:** Certain Trusts may invest in collateralized debt obligations ( CDOs ), which include collateralized bond obligations ( CBOs ) and collateralized loan obligations ( CLOs ). CBOs and CLOs are types of asset-backed securities. A CDO is an entity that is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called tranches, which will vary in risk profile and yield. The riskiest segment is the subordinated or equity tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a senior tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

**Multiple Class Pass-Through Securities:** Certain Trusts may invest in multiple class pass-through securities, including collateralized mortgage obligations ( CMOs ) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, U.S. government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets ), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated pre-payments of principal, the Trusts may not fully recoup their initial investment in IOs.

**Stripped Mortgage-Backed Securities:** Certain Trusts may invest in stripped mortgage-backed securities issued by the U.S. government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest (IOs) and principal (POs) distributions on a pool of Mortgage Assets. The Trusts also may invest in stripped mortgage-backed securities that are privately issued.

**Zero-Coupon Bonds:** Certain Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Capital Trusts and Trust Preferred Securities:** Certain Trusts may invest in capital trusts and/or trust preferred securities. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation will pay interest to

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the trust, which will then be distributed to holders of the trust preferred securities as a dividend. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities and are freely callable at the issuer's option.

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## Notes to Financial Statements (continued)

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

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

When a Trust purchases a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. On an ongoing basis, the Trusts may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Trusts upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Trusts may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. The Trusts may invest in such loans in the form of participations in loans (Participations) or assignments (Assignments) of all or a portion of loans from third parties. Participations typically will result in the Trusts having a contractual relationship only with the lender, not with the borrower. The Trusts will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Trusts generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Trusts may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Trusts will assume the credit risk of both the borrower and the lender that is selling the Participation. The Trusts' investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Trusts may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Trusts having a direct contractual relationship with the borrower, and the Trusts may enforce compliance by the borrower with the terms of the loan agreement.

In connection with floating rate loan interests, the Trusts may also enter into unfunded loan commitments (commitments). In connection with these commitments, the Trusts earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. Commitment fees received in advance and unrecognized are recorded in the Statements of Assets and Liabilities as deferred income. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of August 31, 2014 the Trusts had no outstanding unfunded floating rate loan interests.

**Forward Commitments and When-Issued Delayed Delivery Securities:** Certain Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts' maximum amount of loss is

the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**TBA Commitments:** Certain Trusts may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. When entering into TBA

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## Notes to Financial Statements (continued)

commitments, the Trusts may take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

**Mortgage Dollar Roll Transactions:** Certain Trusts may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (i.e., same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Trusts will not be entitled to receive interest and principal payments on the securities sold. The Trusts account for mortgage dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions may increase the Trusts' portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Trusts are required to purchase may decline below the agreed upon repurchase price of those securities.

**Borrowed Bond Agreements:** Certain Trusts may enter into borrowed bond agreements. In a borrowed bond agreement, the Trusts borrow a bond from a counterparty in exchange for cash collateral. The borrowed bond agreement contains a commitment that the security and the cash will be returned to the counterparty and the Trusts, respectively, at a mutually agreed upon date. Certain agreements have no stated maturity and can be terminated by either party at any time. Borrowed bond agreements are entered into primarily in connection with short sales of bonds. Earnings on cash collateral and compensation to the lender of the bond are based on agreed upon rates between the Trusts and the counterparty. The value of the underlying cash collateral approximates the market value and accrued interest of the borrowed bond. To the extent that a borrowed bond transaction exceeds one business day, the value of the cash collateral in the possession of the counterparty is monitored on a daily basis to ensure the adequacy of the collateral. As the market value of the borrowed bond changes, the cash collateral is periodically increased or decreased with a frequency and in amounts prescribed in the borrowed bond agreement. Full realization of the collateral by the Trusts may be limited if the value of an investment purchased with the cash collateral by the lender decreases. The Trusts may also experience delays in gaining access to the collateral.

**Reverse Repurchase Agreements:** Certain Trusts may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Trusts sell securities to a bank or broker-dealer and agree to repurchase the same securities at a mutually agreed upon date and price. During the term of the reverse repurchase agreement, the Trusts continue to receive the principal and interest payments on the securities sold. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Trusts may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities to be repurchased may decline below the repurchase price.

For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest due to the counterparty is recorded as a liability in the Statements of Assets and Liabilities at face value including accrued interest. Due to the short term nature of the reverse repurchase agreements, face value approximates fair value. Interest payments made by the Trusts to the counterparties are recorded as a component of interest expense in the Statements of Operations. In periods of increased demand for the security, the Trusts may receive a fee for use of the security by the counterparty, which may result in interest income to the Trusts.

For the year ended August 31, 2014, the daily weighted average interest rates from reverse repurchase agreements were as follows:

	<b>Daily Weighted Average Interest Rate</b>
BHK	0.24%
BNA	0.24%
BKT	0.15%

Reverse repurchase transactions and borrowed bond agreements are entered into by the Trusts under Master Repurchase Agreements ( MRA ), which permit the Trusts, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Trusts. With reverse repurchase transactions and borrowed bond agreements, typically

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the Trusts and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Trusts receive or post securities as collateral with a market value in excess of the repurchase price to be paid or received by the Trusts upon the maturity of the transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Trusts are considered an unsecured creditor with respect to excess collateral and, as such, the return of excess collateral may be delayed.

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## Notes to Financial Statements (continued)

The following table is a summary of the Trusts' open repurchase agreements and borrowed bond agreements by counterparty which are subject to offset under an MRA on a net basis as of August 31, 2014:

**BHK**

Counterparty	Reverse Repurchase Agreements	Fair Value of Non-cash Collateral Pledged Including Accrued Interest <sup>1</sup>	Cash Collateral Pledged/Received	Net Amount
Barclays Capital, Inc.	\$ 14,913,465	\$ (14,913,465)		
BNP Paribas Securities Corp.	66,328,249	(66,328,249)		
Citigroup Global Markets, Inc.	6,726,418	(6,726,418)		
Credit Suisse Securities (USA) LLC	23,596,107	(23,596,107)		
Deutsche Bank Securities, Inc.	10,001,451	(10,001,451)		
Merrill Lynch, Pierce, Fenner & Smith, Inc.	13,937,451	(13,937,451)		
RBC Capital Markets, LLC	1,464,699	(1,464,699)		
UBS Securities LLC	31,332,937	(31,332,937)		
<b>Total</b>	<b>\$168,300,777</b>	<b>\$(168,300,777)</b>		

Net collateral with a value of \$176,020,238 has been pledged/received in connection with open reverse repurchase agreements. Excess of net collateral pledged to the individual counterparty is not shown for financial reporting purposes.

**BNA**

Counterparty	Reverse Repurchase Agreements	Fair Value of Non-cash Collateral Pledged Including Accrued Interest <sup>2</sup>	Cash Collateral Pledged/Received	Net Amount
Barclays Capital, Inc.	\$ 8,863,776	\$ (8,863,776)		
BNP Paribas Securities Corp.	55,178,541	(55,178,541)		
Credit Suisse Securities (USA) LLC	35,190,271	(35,190,271)		
Deutsche Bank Securities, Inc.	12,141,341	(12,141,341)		
Merrill Lynch, Pierce, Fenner & Smith, Inc.	25,077,518	(25,077,518)		
RBC Capital Markets, LLC	6,696,626	(6,696,626)		
UBS Securities LLC	28,418,498	(28,418,498)		
<b>Total</b>	<b>\$ 171,566,571</b>	<b>\$(171,566,571)</b>		

<sup>2</sup>Net collateral with a value of \$179,439,228 has been pledged/received in connection with open reverse repurchase agreements. Excess of net collateral pledged to the individual counterparty is not shown for financial reporting





## Notes to Financial Statements (continued)

**Short Sales:** Certain Trusts may enter into short sale transactions in which the Trusts sell a security they do not hold in anticipation of a decline in the market price of that security. When the Trusts make a short sale, they will borrow the security sold short (borrowed bond) and deliver the security to the counterparty to which they sold the security short. An amount equal to the proceeds received by the Trusts is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the market value of the short sale. The Trusts are required to repay the counterparty interest on the security sold short, which is shown as interest expense in the Statements of Operations. The Trusts are exposed to market risk based on the amount, if any, that the market value of the security increases beyond the market value at which the position was sold. Thus, a short sale of a security involves the risk that instead of declining, the price of the security sold short will rise. The short sale of securities involves the possibility of a theoretically unlimited loss since there is a theoretically unlimited potential for the market price of the security sold short to increase. A gain, limited to the price at which the Trusts sold the security short, or a loss, unlimited as to the dollar amount, will be recognized upon the termination of a short sale if the market price is either less than or greater than the proceeds originally received. There is no assurance the Trusts will be able to close out a short position at a particular time or at an acceptable price.

**4. Derivative Financial Instruments:**

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

**Financial Futures Contracts:** The Trusts purchase and/or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk), changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk). Financial futures contracts are agreements between the Trusts and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date.

Upon entering into a financial futures contract, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited, if any, is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin. Variation margin is recorded by the Trusts as unrealized appreciation or depreciation and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities.

When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest or foreign currency exchange rates and the underlying assets.

**Forward Foreign Currency Exchange Contracts:** The Trusts enter into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Forward foreign currency exchange contracts, when used by the Trusts, help to manage the overall exposure to the currencies in which some of the investments held by the Trusts are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Trusts as an unrealized gain or loss. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward foreign currency exchange contracts involves the risk that the value of a forward foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies.

**Options:** The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk and interest rate risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Trusts purchase (write) an option, an amount

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equal to the premium paid (received) by the Trusts is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Trusts enter into a closing transaction), the Trusts realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Trusts write a call option, such option is covered, meaning that the Trusts hold the underlying instrument subject to being called by the option counterparty. When the Trusts write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

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## Notes to Financial Statements (continued)

Options on swaps ( swaptions ) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swaptions is granting or buying the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

The Trusts also purchase or sell listed or OTC foreign currency options, foreign currency futures and related options on foreign currency futures as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies (foreign currency exchange rate risk). When foreign currency is purchased or sold through an exercise of a foreign currency option, the related premium paid (or received) is added to (or deducted from) the basis of the foreign currency acquired or deducted from (or added to) the proceeds of the foreign currency sold (receipts from the foreign currency purchased). Such transactions may be effected with respect to hedges on non-U.S. dollar denominated instruments owned by the Trusts but not yet delivered, or committed or anticipated to be purchased by the Trusts.

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

Transactions in options written for the year ended August 31, 2014, were as follows:

	Calls			Puts		
	Contracts	Notional (000) <sup>1</sup>	Premiums Received	Contracts	Notional (000) <sup>1</sup>	Premiums Received
<b>BHK</b>						
Outstanding options, beginning of year		\$30,700	\$66,601		\$55,300	