

BLACKROCK CORPORATE HIGH YIELD FUND, INC.
Form N-CSR
November 03, 2015

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 811-21318

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2015

Date of reporting period: 08/31/2015

Item 1 Report to Stockholders

AUGUST 31, 2015



ANNUAL REPORT

BlackRock Core Bond Trust (BHK)

BlackRock Corporate High Yield Fund, Inc. (HYT)

BlackRock Income Trust, Inc. (BKT)

Not FDIC Insured May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

Diverging monetary policies and shifting economic outlooks between regions were the broader themes underlying market conditions during the 12-month period ended August 31, 2015. The period began with investors caught between the forces of low interest rates and an improving U.S. economy, high asset valuations, oil price instability and lingering geopolitical risks in Ukraine and the Middle East. U.S. growth picked up considerably in the fourth quarter of 2014, while the broader global economy showed signs of slowing. Investors favored the stability of U.S. assets despite expectations that the Federal Reserve (Fed) would eventually be inclined to raise short-term interest rates. International markets continued to struggle even as the European Central Bank and the Bank of Japan eased monetary policy. Oil prices plummeted in late 2014 due to a global supply-and-demand imbalance, sparking a sell-off in energy-related assets and emerging markets. Investors piled into U.S. Treasury bonds as their persistently low yields had become attractive as compared to the even lower yields on international sovereign debt.

Equity markets reversed in early 2015, with international markets outperforming the United States as global risks abated. Investors had held high expectations for the U.S. economy, but a harsh winter and west coast port strike brought disappointing first-quarter data and high valuations took their toll on U.S. stocks, while bond yields fell to extreme lows. (Bond prices rise as yields fall.) In contrast, economic reports in Europe and Asia easily beat investors' very low expectations, and accommodative policies from central banks in those regions helped international equities rebound. Oil prices stabilized, providing some relief for emerging market stocks, although a stronger U.S. dollar continued to be a headwind for the asset class.

U.S. economic data regained momentum in the second quarter, helping U.S. stocks resume an upward path; however, the improving data underscored the likelihood that the Fed would raise short-term rates before the end of 2015 and bond yields moved swiftly higher. The month of June brought a sharp, but temporary, sell-off across most asset classes as Greece's long-brewing debt troubles came to an impasse. Although these concerns abated in the later part of July when the Greek parliament passed a series of austerity and reform measures, the calm was short-lived. Chinese equity prices plunged and experienced extreme volatility despite policymakers' attempts to stabilize the market. Financial markets broadly were highly volatile during the month of August as evidence of a further deceleration in China's economy stoked worries about global growth. Equity and high yield assets declined, with emerging markets especially hard hit given falling commodity prices and lower growth estimates for many of those economies. High quality fixed income assets such as U.S. Treasury and municipal bonds benefited from investors seeking shelter from global volatility.

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 markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of August 31, 2015

6-month

(5.32)%

12-month

0.48%

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U.S. large cap equities (S&P 500® Index)		
U.S. small cap equities (Russell 2000® Index)	(5.36)	0.03
International equities (MSCI Europe, Australasia, Far East Index)	(6.30)	(7.47)
Emerging market equities (MSCI Emerging Markets Index)	(15.97)	(22.95)
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.02	0.03
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	(0.86)	3.24
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	(0.68)	1.56
Tax-exempt municipal bonds (S&P Municipal Bond Index)	0.21	2.38
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	(2.85)	(2.93)

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of August 31, 2015

BlackRock Core Bond Trust

Trust Overview

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, U.S. 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 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 into the Trust, which was completed on November 10, 2014. The reorganization of BKT into the Trust was not approved by BKT shareholders.

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

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, 2015 (\$12.63) ¹	7.17%
Current Monthly Distribution per Common Share ²	\$0.0755
Current Annualized Distribution per Common Share ²	\$0.9060
Economic Leverage as of August 31, 2015 ³	28%

¹ 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.

² The monthly distribution per Common Share, declared on October 1, 2015, was decreased to \$0.0710 per share. The current distribution rate on closing market price, current monthly distribution per Common Share, and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

³ 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 10.

Performance and Portfolio Management Commentary

Returns for the 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ³
BHK ¹	0.35%	1.62%
Lipper Corporate BBB-Rated Debt Funds (Leveraged) ²	(2.76)%	(1.31)%

¹ All returns reflect reinvestment of dividends and/or distributions.

² Average return.

³ 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 the Trust's absolute performance based on NAV:

What factors influenced performance?

The main contributor to the Trust's absolute performance was its overweight positions in asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), and other structured products. Other contributors included long U.S. dollar exposure and positions in agency mortgage-backed securities (MBS).

The main detractor from performance was the Trust's positioning with respect to duration (interest rate sensitivity) and the yield curve. The Trust's exposure to emerging market debt also detracted from performance.

Describe recent portfolio activity.

During the 12-month period, the Trust reduced allocations in investment grade and high yield corporate credit, while increasing allocations in ABS, CMBS and other structured products. The Trust favored collateralized loan obligations within its ABS exposure. The Trust slightly increased its allocation to government securities, while remaining underweight in emerging market debt and credit securities.

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.

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$ 12.63	\$ 13.64	(7.40)%	\$ 14.03	\$ 12.52
Net Asset Value	\$ 14.29	\$ 15.24	(6.23)%	\$ 15.39	\$ 14.19

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

Overview of the Trust's Total Investments

Portfolio Composition	8/31/15	8/31/14 ¹
Corporate Bonds	49%	55%
Non-Agency Mortgage-Backed Securities	12	10
Asset-Backed Securities	11	5
Preferred Securities	10	8
U.S. Government Sponsored Agency Securities	8	9
U.S. Treasury Obligations	6	10
Municipal Bonds	2	2
Foreign Agency Obligations	2	1
Short-Term Securities	1	²
Options Written	(1)	
Other ³		

¹ Information has been revised to conform to current year presentation.

² Includes a less than 1% holding in Short-Term Securities.

³ Includes a less than 1% holding in each of the following investment types: Common Stocks and Options Purchased.

Credit Quality Allocation ^{4,5}	8/31/15	8/31/14
AAA/Aaa ⁶	18%	24%
AA/Aa	7	7
A	18	18
BBB/Baa	33	28
BB/Ba	13	13
B	7	7
CCC/Caa	1	1
N/R	3	2

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⁴ 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. 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.

⁵ Excludes Short-Term Securities, Options Purchased and Options Written.

- ⁶ 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.

Trust Summary as of August 31, 2015

BlackRock Corporate High Yield Fund, Inc.

Trust Overview

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 primarily in a diversified portfolio of fixed income securities which are rated below investment grade or, if unrated, are considered by the Investment Advisor to be of comparable quality. The Trust may invest directly in fixed income securities or synthetically through the use of derivatives.

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

Trust Information

Symbol on NYSE	HYT
Initial Offering Date	May 30, 2003
Current Distribution Rate on Closing Market Price as of August 31, 2015 (\$9.97) ¹	8.43%
Current Monthly Distribution per Common Share ²	\$0.0700
Current Annualized Distribution per Common Share ²	\$0.8400
Economic Leverage as of August 31, 2015 ³	29%

¹ 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.

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

³ 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 10.

Performance and Portfolio Management Commentary

Returns for the 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ³
HYT ¹	(9.96)%	(2.40)% ⁴
Lipper High Yield Funds (Leveraged) ²	(12.17)%	(5.11)%

¹ All returns reflect reinvestment of dividends and/or distributions.

² Average return.

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³ 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.

⁴ For financial reporting purposes, the market value of certain total return swaps were adjusted as of report date. Accordingly, the net asset value (NAV) per share and total return performance based on net asset value presented herein are different than the information previously published on August 31, 2015. The following discussion relates to the Trust's absolute performance based on NAV:

What factors influenced performance?

The high yield market traded lower for the 12-month period, largely a function of weak performance across energy and commodity-linked issues as the supply/demand environment remained challenging. An increase in global macro risks and volatility put additional pressure on the market.

The Trust's exposure to the energy sector was the leading detractor as the price of oil finished the period significantly lower, from about \$100 a barrel at the beginning of the period to below \$50 a barrel at the end of the period. This led to declines in energy-related high-yield issues. Holdings within metals & mining also detracted as those commodities came under pressure in the face of slower growth prospects. The Trust's use of leverage acted to magnify losses in both sectors. Positioning in the transportation services and gaming sectors was an additional detractor from results. Finally, exposure to the equity of high yield companies detracted from returns as well.

The Trust's selection in the health care and building materials sectors added to returns. Further, the Trust's allocation to floating-rate high yield loans contributed positively to performance, as that segment rose modestly.

A derivative strategy commonly used by the Trust is to assume short positions in equity futures in order to reduce overall risk in the portfolio and manage the volatility of its equity holdings. On balance, those positions detracted given the marginally positive performance of the overall equity market during the period. Indexed exposure to high yield credit default swaps also detracted from results.

Describe recent portfolio activity.

The Trust's positioning grew increasingly cautious over the period as sector-specific commodity risks remained elevated and investor uncertainty mounted due to uncertainties around Greece, China's equity markets, the renminbi devaluation, U.S. Federal Reserve policy, and global growth. The Trust increased its exposure to equity derivatives during the period, resulting in a net short position in equities by period end. In addition, the Trust increased its holdings in more liquid high yield positions, such as its allocation to high yield index ETFs. Finally, the Trust selectively added to names in the health care and pharmaceuticals sectors during the period, while reducing exposure to gaming.

Describe portfolio positioning at period end.

At period end, the Trust held the majority of its total portfolio in corporate bonds, with the next significant allocation in floating rate loan interests (bank loans). The Trust also held a modest percentage in common stocks, which was viewed as presenting a better risk/reward profile than CCC-rated bonds, and was hedged with equity futures. Across the rating spectrum, the Trust's highest concentration was to B-rated securities, where the investment advisor sees more value overall. The Trust also invested in catalyst driven CCC and high quality BB rated issues. The Trust was broadly diversified with holdings in more than 450 companies, while the top 25 highest conviction holdings represented about one-third of the overall portfolio. The largest individual positions included HD Supply, Inc. (building materials), Valeant Pharmaceuticals International, Inc., and First Data Corp. (technology).

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Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$ 9.97	\$ 12.07	(17.40)%	\$ 12.10	\$ 9.16
Net Asset Value					