

BLACKROCK SENIOR HIGH INCOME FUND, INC.
Form N-CSR
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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 811-07456

Name of Fund: BlackRock Senior High Income Fund, Inc. (ARK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Senior High Income 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: 02/28/2010

Date of reporting period: 02/28/2010

Item 1 – Report to Stockholders

Annual Report

FEBRUARY 28, 2010

BlackRock Corporate High Yield Fund, Inc. (COY)

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

BlackRock Debt Strategies Fund, Inc. (DSU)

BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)

BlackRock Senior High Income Fund, Inc. (ARK)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past year marked a pivotal turning point for global markets as the Great Recession that started in December 2007 began to recede and give way to recovery. The dramatic about-face could be attributed to a confluence of factors, most notably the extraordinary policy actions of global governments and central banks, a resurgence in corporate profits and growing signs of stability and healing in world economies.

After reaching a trough in early March 2009, stocks galloped higher as investors were lured back into the markets by depressed valuations, desire for higher yields and increasing confidence that all-out financial disaster had been averted. The result was a powerful upswing in global equities and other higher-risk assets through the end of 2009. More recently, the combination of mixed economic data, lingering deflation issues (especially in Europe) and proposed fees and levies on banks dampened investor conviction, resulting in a several-week bout of profit-taking. The selloff had a more pronounced negative effect on international and emerging market equities due primarily to concerns of higher interest rates in Asia and negative headlines out of Europe, particularly in Greece.

Generally speaking, investors' renewed affinity for risk was notable in the fixed income markets as well, where non-Treasury assets made a robust recovery. One of the major themes in 2009 was the reversal of the flight-to-quality trade. High yield, one of the most battered areas during the financial crisis, emerged as the strongest-performing fixed income sector in both the taxable and tax-exempt space. Despite weak fundamentals, the municipal market produced solid returns as technical conditions remained supportive of the asset class. Municipal bond mutual funds enjoyed strong inflows and tax-exempt issuance remained low thanks to the ever-increasing popularity of the Build America Bond program. Nevertheless, state and local fiscal woes and bankruptcy fears remain firmly in the spotlight, and bear close monitoring.

At the same time, yields on money market securities declined throughout the reporting period and remain near all-time lows, with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period. Investor assets in money market funds declined from the peak registered in early 2009, but remain above levels registered prior to the financial crisis that began in 2007.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of February 28, 2010	6-month	12-month
US equities (S&P 500 Index)	9.32%	53.62%
Small cap US equities (Russell 2000 Index)	10.59	63.95
International equities (MSCI Europe, Australasia, Far East Index)	0.72	54.58
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.20
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	0.07	(1.54)
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	3.19	9.32
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.13	9.98
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	13.86	55.20

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

The market continues to show signs of improvement, but questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market

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perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you will find the most recent issue of our award-winning *Shareholder*[®] magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of February 28, 2010

BlackRock Corporate High Yield Fund, Inc.

Investment Objective

BlackRock Corporate High Yield Fund, Inc. (COY) (the Fund) seeks to provide shareholders with current income with a secondary objective of providing shareholders with capital appreciation. The Fund seeks to achieve its objectives by investing primarily in a diversified portfolio of fixed-income securities that are rated below investment grade by the established rating services (Ba or lower by Moody's Investors Service, Inc. (Moody's)) or BB or lower by Standard & Poor's Corporation (S&P's)) or are unrated securities of comparable quality.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 99.76% based on market price and 79.91% based on net asset value (NAV). For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Fund's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Fund's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Fund held a 13% position in floating rate loan interests, which hindered performance as the sector underperformed high yield during the period. The Fund also maintained relatively low levels of leverage (at year end, 24% of the Fund's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit.

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.

Fund Information

Symbol on New York Stock Exchange (NYSE)	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of February 28, 2010 (\$6.88) ¹	10.64%
Current Monthly Distribution per Share ²	\$0.061
Current Annualized Distribution per Share ²	\$0.732
Leverage as of February 28, 2010 ³	24%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was decreased to \$0.051. The Yield 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.

- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 6.88	\$ 3.91	75.96%	\$ 7.10	\$ 3.20
Net Asset Value	\$ 6.64	\$ 4.19	58.47%	\$ 6.74	\$ 3.97

The following unaudited charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's corporate bond investments:

Portfolio Composition

	2/28/10	2/28/09
Corporate Bonds	82%	82%
Floating Rate Loan Interests	13	16
Common Stocks	3	1
Other Interests	2	
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
BBB/Baa	3%	4%
BB/Ba	30	31
B	46	47
CCC/Caa	12	12
CC/Ca	1	1
D	1	
Not Rated	7	5

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of February 28, 2010

BlackRock Corporate High Yield Fund III, Inc.

Investment Objective

BlackRock Corporate High Yield Fund III, Inc. (CYE) (the Fund) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P's) or are unrated securities of comparable quality.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 111.12% based on market price and 86.65% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Fund's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Fund's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Fund held a 13% position in floating rate loan interests, which hindered performance as the sector underperformed high yield during the period. The Fund also maintained relatively low levels of leverage (at year end, 23% of the Fund's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit.

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Fund Information

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of February 28, 2010 (\$6.67) ¹	9.90%
Current Monthly Distribution per Share ²	\$0.055
Current Annualized Distribution per Share ²	\$0.660
Leverage as of February 28, 2010 ³	23%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was decreased to \$0.050. The Yield 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.

- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 6.67	\$ 3.57	86.83%	\$ 6.78	\$ 3.05
Net Asset Value	\$ 6.69	\$ 4.05	65.19%	\$ 6.78	\$ 3.83

The following unaudited charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's corporate bond investments:

Portfolio Composition

	2/28/10	2/28/09
Corporate Bonds	81%	82%
Floating Rate Loan Interests	13	16
Common Stocks	4	1
Other Interests	2	
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
AAA/Aaa	%	1%
BBB/Baa	3	5
BB/Ba	29	30
B	47	46
CCC/Caa	12	14
CC/Ca		1
D	1	
Not Rated	8	3

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of February 28, 2010

BlackRock Debt Strategies Fund, Inc.**Investment Objective**

BlackRock Debt Strategies Fund, Inc. (DSU) (the Fund) seeks to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, that are rated in the lower rating categories of the established rating services (Baa or lower by Moody's or BBB or lower by S&P's) or unrated debt instruments of comparable quality.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 114.32% based on market price and 87.82% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. Unlike most of the other funds in its Lipper category, the Fund is a hybrid that invests in both high yield and bank loans. During the period, approximately 47% of the Fund was invested in floating rate loan interests, with 42% in high yield and the remainder in common stock, convertibles and investment-grade bonds. The Fund continued to outperform its Lipper category, even though loans underperformed high yield over the 12 months. Contributing positively to performance were the Fund's overweight positions in autos and several distressed credits and special situations, as well as our underweight in health care. On an individual security and credit rating basis, we tended to be overweight in the lower-quality tiers, nonrated and higher-beta credits, which hurt the Fund's performance in 2008, but has benefited the Fund since. On the other hand, the Fund maintained relatively conservative sector positioning, which had a negative impact on the Fund's performance in the continuation of the market's sharp rebound from 2008; still, we believe the Fund's positioning is the correct stance for the medium term. The Fund also maintained relatively low levels of leverage (at year end, 14% of the Fund's total managed assets), which has been a detractor in a strong market environment.

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Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of February 28, 2010 (\$3.91) ¹	9.51%
Current Monthly Distribution per Share ²	\$0.031
Current Annualized Distribution per Share ²	\$0.372
Leverage as of February 28, 2010 ³	14%

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 3.91	\$ 2.07	88.89%	\$ 3.91	\$ 1.63
Net Asset Value	\$ 3.89	\$ 2.35	65.53%	\$ 3.90	\$ 2.21

The following unaudited charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's corporate bond investments:

Portfolio Composition

	2/28/10	2/28/09
Corporate Bonds	49%	53%
Floating Rate Loan Interests	47	43
Common Stocks	4	3
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
BBB/Baa	5%	9%
BB/Ba	27	
B	44	59
CCC/Caa	11	21
CC/Ca		4
D	1	1
Not Rated	12	