

BlackRock Enhanced Government Fund, Inc.  
Form N-Q  
November 22, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: 811-21793

Name of Fund: BlackRock Enhanced Government Fund, Inc. (EGF)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Enhanced  
Government Fund, 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: 12/31/2017

Date of reporting period: 09/30/2017

Item 1 Schedule of Investments

## Schedule of Investments September 30, 2017 (Unaudited)

## BlackRock Enhanced Government Fund, Inc. (EGF)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Asset-Backed Securities</b>		
Securitized Asset Backed Receivables LLC Trust (a):		
Series 2005-OP1, Class M2, (1 mo. LIBOR US + 0.68%), 1.91%, 1/25/35	\$ 677	\$ 664,988
Series 2005-OP2, Class M1, (1 mo. LIBOR US + 0.43%), 1.67%, 10/25/35	1,025	1,012,517
<b>Total Asset-Backed Securities 1.8%</b>		1,677,505
<b>Non-Agency Mortgage-Backed Securities</b>		
<b>Collateralized Mortgage Obligations 0.8%</b>		
Bank of America Mortgage Trust,		
Series 2003-J, Class 2A1, 3.45%, 11/25/33 (b)	79	79,005
Bear Stearns ALT-A Trust, Series 2004-13, Class A1, (1 mo. LIBOR US + 0.74%), 1.98%, 11/25/34 (a)	83	82,538
HomeBanc Mortgage Trust, Series 2005-4, Class A1, (1 mo. LIBOR US + 0.27%), 1.51%, 10/25/35 (a)	569	560,048
		721,591
<b>Interest Only Collateralized Mortgage Obligations 0.0%</b>		
CitiMortgage Alternative Loan Trust, Series 2007-A5, Class 1A7, 6.00%, 5/25/37	188	41,931
<b>Total Non-Agency Mortgage-Backed Securities 0.8%</b>		763,522
<b>Preferred Securities</b>		
<b>Capital Trust 2.2%</b>		
<b>Electric Utilities 2.2%</b>		
PPL Capital Funding, Inc., Series A, 4.00%, 3/30/67 (c)	2,000	1,965,000
<b>Total Preferred Securities 2.2%</b>		1,965,000
<b>U.S. Government Sponsored Agency Securities</b>		
<b>Agency Obligations 4.1%</b>		
Federal Farm Credit Bank, 4.55%, 6/08/20	3,500	3,760,872
<b>Collateralized Mortgage Obligations 4.1%</b>		
Fannie Mae Mortgage-Backed Securities, Series 2014-28, Class BD, 3.50%, 8/25/43	1,222	1,273,657
	<b>Par (000)</b>	<b>Value</b>
<b>U.S. Government Sponsored Agency Securities</b>		
<b>Collateralized Mortgage Obligations (continued)</b>		
Freddie Mac Mortgage-Backed Securities, Series 4480, Class ZX, 4.00%, 11/15/44	\$ 684	\$ 720,160
Ginnie Mae Mortgage-Backed Securities, Series 2006-3, Class C, 5.24%, 4/16/39 (a)	1,707	1,712,713
		3,706,530
<b>Interest Only Collateralized Mortgage Obligations 1.4%</b>		
Fannie Mae Mortgage-Backed Securities:		
Series 2012-96, Class DI, 4.00%, 2/25/27	1,108	89,991
Series 2012-M9, Class X1, 4.15%, 12/25/17 (b)	483	101
Series 2012-47, Class NI, 4.50%, 4/25/42	1,206	263,050
Ginnie Mae Mortgage-Backed Securities:		
Series 2006-30, Class IO, 2.30%, 5/16/46 (b)	298	20,029
Series 2009-78, Class SD, (1 mo. LIBOR + 6.20%), 4.96%, 9/20/32 (a)	1,236	197,911
Series 2009-116, Class KS, (1 mo. LIBOR + 6.47%), 5.24%, 12/16/39 (a)	365	53,217
Series 2011-52, Class NS, (1 mo. LIBOR + 6.67%), 5.44%, 4/16/41 (a)	3,468	625,970
		1,250,269
<b>Mortgage-Backed Securities 49.2%</b>		
Fannie Mae Mortgage-Backed Securities:		
2.50%, 4/01/28	4,895	4,959,286
3.00%, 6/01/42 - 4/01/43	6,045	6,097,882
3.50%, 8/01/26 - 8/01/44	10,214	10,615,488
4.00%, 4/01/24 - 2/01/41	8,801	9,306,117
4.50%, 4/01/39 - 8/01/40	5,990	6,487,767
5.00%, 11/01/33 - 2/01/40	3,253	3,594,356
5.50%, 10/01/23 - 9/01/36	2,742	3,067,072
6.00%, 2/01/36 - 3/01/38	501	569,681
Freddie Mac Mortgage-Backed Securities, 4.50%, 5/01/34	152	163,345

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Ginnie Mae Mortgage-Backed Securities, 5.00%, 11/15/35	5	5,406
		44,866,400
<b>Total U.S. Government Sponsored Agency Securities</b> 58.8%		53,584,071

BLACKROCK ENHANCED GOVERNMENT FUND, INC.

SEPTEMBER 30, 2017

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## Schedule of Investments (continued)

BlackRock Enhanced Government Fund, Inc. (EGF)

	<b>Par (000)</b>	<b>Value</b>
<b>U.S. Treasury Obligations</b>		
U.S. Treasury Bonds, 4.38%, 5/15/41	\$ 5,100	\$ 6,523,817
U.S. Treasury Notes:		
1.38%, 4/30/20 (d)	13,500	13,432,500
1.50%, 5/31/20	1,300	1,297,156
3.13%, 5/15/21	6,500	6,816,621
2.00%, 11/30/22	3,500	3,506,152
2.00%, 2/15/25	6,000	5,917,969
2.25%, 11/15/25	2,800	2,799,891
1.63%, 2/15/26	900	855,703
<b>Total U.S. Treasury Obligations 45.2%</b>		41,149,809
<b>Total Long-Term Investments</b>		
<b>(Cost \$96,800,924) 108.8%</b>		99,139,907
<b>Short-Term Securities</b>	<b>Shares</b>	<b>Value</b>
BlackRock Liquidity Funds, T-Fund, Institutional Class, 0.91%, (e)(f)	2,472	\$ 2,471,813
<b>Total Short-Term Securities</b>		
<b>(Cost \$2,471,813) 2.7%</b>		2,471,813
<b>Options Purchased</b>		
<b>(Cost \$332,342) 0.2%</b>		152,894
<b>Total Investments Before Options Written</b>		
<b>(Cost \$99,605,079) 111.7%</b>		101,764,614
<b>Options Written</b>		
<b>(Premiums Received \$490,993) (0.5)%</b>		(429,883)
<b>Total Investments, Net of Options Written</b>		
<b>(Cost \$99,114,086) 111.2%</b>		101,334,731
<b>Liabilities in Excess of Other Assets (11.2)%</b>		(10,211,106)
<b>Net Assets 100.0%</b>		\$ 91,123,625

## Notes to Schedule of Investments

- (a) Floating rate security. Rate shown is the rate in effect as of period end.
- (b) Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.
- (c) Variable rate security. Security may be issued at a fixed coupon rate, which converts to a variable rate at a specified date. Rate shown is the rate in effect as of period end.
- (d) All or a portion of the security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (e) During the period ended September 30, 2017, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, as follows:

	<b>Shares Held at December 31, 2016</b>	<b>Net Activity</b>	<b>Shares Held at September 30, 2017</b>	<b>Value at September 30, 2017</b>	<b>Income</b>	<b>Realized Gain(Loss)</b>	<b>Change in Unrealized Appreciation (Depreciation)</b>
<b>Affiliate</b>							
BlackRock Liquidity Funds, T-Fund, Institutional Class	3,730,899	(1,259,086)	2,471,813	\$ 2,471,813	\$ 24,751		

- (f) Annualized 7-day yield as of period end.

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## Portfolio Abbreviations

<b>AUD</b>	Australian Dollar	<b>GBP</b>	British Pound	<b>OTC</b>	Over-the-Counter
<b>CAD</b>	Canadian Dollar	<b>JPY</b>	Japanese Yen	<b>SEK</b>	Swedish Krona
<b>CHF</b>	Swiss Franc	<b>NOK</b>	Norwegian Krone	<b>USD</b>	U.S. Dollar
<b>EUR</b>	Euro	<b>NZD</b>	New Zealand Dollar		

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BLACKROCK ENHANCED GOVERNMENT FUND, INC.

SEPTEMBER 30, 2017

## Schedule of Investments (continued)

BlackRock Enhanced Government Fund, Inc. (EGF)

## Reverse Repurchase Agreements

Counterparty	Interest Rate	Trade Date	Maturity Date <sup>1</sup>	Face Value	Face Value Including Accrued Interest	Type of Non-Cash Underlying Collateral	Remaining Contractual Maturity of the Agreements <sup>1</sup>
Credit Suisse Securities (USA) LLC	1.22%	9/26/17	Open	\$ 11,528,750	\$ 11,530,463	U.S. Treasury Obligations	Open/Demand

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

## Derivative Financial Instruments Outstanding as of Period End

## Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount ('000)	Value / Unrealized Appreciation (Depreciation)
Short Contracts				
5-Year U.S. Treasury Note	(5)	December 2017	\$ 588	\$ 4,256

## Forward Foreign Currency Exchange Contracts

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
CAD 226,634	NZD 250,000	Barclays Bank PLC	10/10/17	\$ 1,096
NZD 250,000	CAD 223,927	Barclays Bank PLC	10/10/17	1,074
NZD 315,000	CAD 275,762	Barclays Bank PLC	10/10/17	6,471
NZD 315,000	CAD 276,891	Barclays Bank PLC	10/10/17	5,567
NZD 190,000	CAD 166,563	Goldman Sachs International	10/10/17	3,719
NZD 635,000	CAD 558,015	Goldman Sachs International	10/10/17	11,351
GBP 175,000	USD 228,779	Goldman Sachs International	10/18/17	5,837
JPY 30,988,430	USD 275,000	Barclays Bank PLC	10/18/17	580
USD 230,000	CHF 218,071	Barclays Bank PLC	10/18/17	4,579
USD 362,217	GBP 270,000	Morgan Stanley & Co. International PLC	10/18/17	238
USD 275,000	JPY 30,697,672	Barclays Bank PLC	10/18/17	2,006
USD 275,000	JPY 30,712,632	Barclays Bank PLC	10/18/17	1,873
USD 825,000	JPY 92,766,300	Deutsche Bank AG	10/18/17	30
USD 230,000	JPY 24,726,752	Barclays Bank PLC	10/25/17	10,038
USD 230,000	JPY 24,899,848	Barclays Bank PLC	10/25/17	8,498
SEK 1,858,232	GBP 170,000	Barclays Bank PLC	10/30/17	487
SEK 1,883,111	NOK 1,840,000	Goldman Sachs International	10/30/17	383
EUR 195,000	GBP 171,410	Barclays Bank PLC	12/01/17	1,103
GBP 355,000	NOK 3,587,034	JPMorgan Chase Bank N.A.	12/01/17	25,591
EUR 190,000	GBP 167,772	Citibank N.A.	12/12/17	131
EUR 200,000	JPY 26,580,200	BNP Paribas S.A.	12/12/17	291
GBP 175,000	SEK 1,860,403	Barclays Bank PLC	12/12/17	5,668
NZD 640,000	NOK 3,652,902	Credit Suisse International	12/12/17	2,286
USD 460,000	CHF 432,067	State Street Bank and Trust Co.	12/12/17	11,742
				110,639
CAD 214,328	NZD 240,000	Barclays Bank PLC	10/10/17	(1,545)
CAD 224,497	NZD 255,000	Barclays Bank PLC	10/10/17	(4,228)
CAD 225,136	NZD 250,000	Barclays Bank PLC	10/10/17	(105)
CAD 283,036	NZD 320,000	Barclays Bank PLC	10/10/17	(4,252)
CAD 447,034	NZD 505,000	Credit Suisse International	10/10/17	(6,416)
CAD 205,765	NZD 230,000	Goldman Sachs International	10/10/17	(1,187)

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SEPTEMBER 30, 2017

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## Schedule of Investments (continued)

BlackRock Enhanced Government Fund, Inc. (EGF)

## Forward Foreign Currency Exchange Contracts (continued)

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
NZD 250,000	CAD 225,408	Barclays Bank PLC	10/10/17	\$ (113)
CHF 220,598	USD 230,000	Barclays Bank PLC	10/18/17	(1,968)
GBP 465,000	USD 633,228	Barclays Bank PLC	10/18/17	(9,820)
JPY 30,734,357	USD 275,000	Barclays Bank PLC	10/18/17	(1,680)
JPY 30,849,720	USD 275,000	Barclays Bank PLC	10/18/17	(654)
JPY 30,862,645	USD 275,000	Barclays Bank PLC	10/18/17	(539)
JPY 30,870,647	USD 275,000	Barclays Bank PLC	10/18/17	(468)
USD 231,921	GBP 175,000	Barclays Bank PLC	10/18/17	(2,695)
JPY 25,022,114	USD 230,000	Barclays Bank PLC	10/25/17	(7,410)
JPY 25,176,030	USD 230,000	Barclays Bank PLC	10/25/17	(6,041)
NOK 1,830,000	SEK 1,876,724	Barclays Bank PLC	10/30/17	(854)
NOK 1,815,000	SEK 1,858,150	Citibank N.A.	10/30/17	(455)
NOK 1,795,332	GBP 175,000	Barclays Bank PLC	12/01/17	(9,212)
NOK 1,487,885	GBP 140,000	Credit Suisse International	12/01/17	(880)
AUD 290,000	CAD 283,559	Citibank N.A.	12/12/17	(68)
CAD 566,767	AUD 580,000	Nomura International PLC	12/12/17	(146)
EUR 190,000	JPY 25,462,310	Barclays Bank PLC	12/12/17	(1,606)
NOK 1,789,932	GBP 175,000	Morgan Stanley & Co. International PLC	12/12/17	(9,910)
NOK 1,740,241	NZD 310,000	Credit Suisse International	12/12/17	(4,771)
NOK 3,592,497	NZD 640,000	Toronto-Dominion Bank	12/12/17	(9,882)
SEK 3,625,610	EUR 380,000	Citibank N.A.	12/12/17	(3,920)
SEK 1,882,343	GBP 180,000	Goldman Sachs International	12/12/17	(9,678)
				(100,503)
<b>Net Unrealized Appreciation</b>				\$ 10,136

## OTC Options Purchased

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price	Notional Amount ('000)	Value
<b>Call</b>						
NZD Currency	Goldman Sachs International		10/06/17	CAD 0.92	NZD 5,070	\$ 132
GBP Currency	HSBC Bank USA N.A.		10/16/17	USD 1.37	GBP 1,325	1,635
GBP Currency	Morgan Stanley & Co. International PLC		10/16/17	NOK 10.90	GBP 1,375	2,589
USD Currency	Deutsche Bank AG		10/16/17	CHF 1.00	USD 1,830	479
USD Currency	Morgan Stanley & Co. International PLC		10/16/17	JPY 112.00	USD 1,830	17,306
EUR Currency	JPMorgan Chase Bank N.A.		10/26/17	AUD 1.51	EUR 1,550	15,135
EUR Currency	JPMorgan Chase Bank N.A.		10/26/17	AUD 1.56	EUR 1,550	1,920
NOK Currency	Barclays Bank PLC		10/26/17	SEK 1.06	NOK 7,670	298
EUR Currency	HSBC Bank USA N.A.		11/14/17	JPY 132.00	EUR 1,555	33,265
CAD Currency	Goldman Sachs International		11/29/17	JPY 92.50	CAD 2,295	9,754
EUR Currency	Barclays Bank PLC		11/29/17	CAD 1.55	EUR 785	1,470
EUR Currency	JPMorgan Chase Bank N.A.		11/29/17	GBP 0.93	EUR 1,560	2,198
						86,181
<b>Put</b>						
NZD Currency	Goldman Sachs International		10/06/17	CAD 0.87	NZD 5,070	
GBP Currency	Barclays Bank PLC		10/10/17	CAD 1.56	GBP 1,390	
NZD Currency	UBS AG		10/10/17	USD 0.70	NZD 2,545	423
GBP Currency	Goldman Sachs International		10/16/17	NOK 10.30	GBP 1,425	701
GBP Currency	Goldman Sachs International		10/16/17	USD 1.25	GBP 1,405	



## Schedule of Investments (continued)

BlackRock Enhanced Government Fund, Inc. (EGF)

## OTC Options Purchased (continued)

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price		Notional Amount (000)	Value
<b>Put</b>							
GBP Currency	Morgan Stanley & Co. International PLC		10/16/17	NOK	10.20	GBP 1,425	\$ 254
USD Currency	Morgan Stanley & Co. International PLC		10/16/17	JPY	110.50	USD 1,830	4,449
EUR Currency	Barclays Bank PLC		10/23/17	SEK	9.60	EUR 1,555	9,586
USD Currency	Barclays Bank PLC		10/23/17	JPY	107.00	USD 1,830	1,213
GBP Currency	Goldman Sachs International		10/26/17	SEK	10.10	GBP 1,415	28
NZD Currency	Goldman Sachs International		10/27/17	CAD	0.91	NZD 3,690	41,589
EUR Currency	Morgan Stanley & Co. International PLC		11/14/17	NOK	9.15	EUR 1,540	2,712
GBP Currency	Morgan Stanley & Co. International PLC		11/29/17	NOK	9.80	GBP 1,435	650
NZD Currency	Citibank N.A.		11/29/17	USD	0.69	NZD 2,540	5,108
							66,713
<b>Total</b>							\$ 152,894

## OTC Interest Rate Swaptions Written

Description	Counterparty	Expiration Date	Exercise Rate	Received by the Fund		Paid by the Fund		Notional Amount (000)	Value
				Rate	Frequency	Rate	Frequency		
<b>Call</b>									
2-Year Interest Rate Swap, 9/28/17	Citibank N.A.	10/30/17	1.75%	6-Month LIBOR	Quarterly	1.75%	Quarterly	USD 35,000	\$ (26,028)
5-Year Interest Rate Swap, 9/28/17	Citibank N.A.	10/30/17	2.02%	6-Month LIBOR	Quarterly	2.02%	Quarterly	USD 30,000	(85,549)
10-Year Interest Rate Swap, 9/28/17	Citibank N.A.	10/30/17	2.31%	6-Month LIBOR	Quarterly	2.31%	Quarterly	USD 15,000	(102,884)
30-Year Interest Rate Swap, 9/28/17	Citibank N.A.	10/30/17	2.57%	6-Month LIBOR	Quarterly	2.57%	Quarterly	USD 5,000	(90,584)
<b>Total</b>									\$ (305,045)

## OTC Options Written

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price		Notional Amount (000)	Value
<b>Call</b>							
NZD Currency	Goldman Sachs International		10/06/17	CAD	0.90	NZD 1,265	\$ (7,231)
GBP Currency	Goldman Sachs International		10/16/17	USD	1.35	GBP 1,405	(6,718)
GBP Currency	HSBC Bank USA N.A.		10/16/17	USD	1.39	GBP 1,990	(467)
USD Currency	Deutsche Bank AG		10/16/17	JPY	112.00	USD 1,830	(17,736)
EUR Currency	JPMorgan Chase Bank N.A.		10/26/17	AUD	1.54	EUR 3,105	(11,340)
USD Currency	Citibank N.A.		10/26/17	JPY	115.00	USD 1,830	(4,253)
EUR Currency	HSBC Bank USA N.A.		11/14/17	JPY	135.00	EUR 2,335	(20,210)
EUR Currency	JPMorgan Chase Bank N.A.		11/29/17	GBP	0.95	EUR 1,560	(667)
							\$ (68,622)



## Schedule of Investments (continued)

BlackRock Enhanced Government Fund, Inc. (EGF)

## OTC Options Written (continued)

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price	Notional Amount (000)	Value
<b>Put</b>						
NZD Currency	Goldman Sachs International		10/06/17	CAD 0.90	NZD 1,265	(1,325)
GBP Currency	Deutsche Bank AG		10/10/17	CAD 1.56	GBP 1,390	
NZD Currency	UBS AG		10/10/17	USD 0.70	NZD 2,545	(415)
GBP Currency	Goldman Sachs International		10/16/17	NOK 10.20	GBP 1,425	(250)
GBP Currency	Morgan Stanley & Co. International PLC		10/16/17	NOK 10.30	GBP 1,425	(708)
USD Currency	Deutsche Bank AG		10/16/17	JPY 110.50	USD 1,830	(4,275)
AUD Currency	JPMorgan Chase Bank N.A.		10/23/17	CAD 0.96	AUD 2,335	(3,603)
EUR Currency	Barclays Bank PLC		10/23/17	SEK 9.45	EUR 3,105	(4,125)
USD Currency	Barclays Bank PLC		10/23/17	JPY 105.00	USD 1,830	(326)
NZD Currency	Deutsche Bank AG		10/27/17	CAD 0.91	NZD 3,690	(41,189)
						(56,216)
<b>Total</b>						\$ (124,838)

## Fair Value Hierarchy as of Period End

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

Level 1 Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund 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 Fund'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. Investments classified within Level 3 have significant unobservable inputs used by the BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately-held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value 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 investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Fund's most recent financial statements as contained in its semi-annual report.



## Schedule of Investments (concluded)

BlackRock Enhanced Government Fund, Inc. (EGF)

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$ 1,677,505		\$ 1,677,505
Preferred Securities		1,965,000		1,965,000
Non-Agency Mortgage-Backed Securities		763,522		763,522
U.S. Government Sponsored Agency Securities		53,584,071		53,584,071
U.S. Treasury Obligations		41,149,809		41,149,809
Short-Term Securities	\$ 2,471,813			2,471,813
Options Purchased:				
Foreign currency exchange contracts		152,894		152,894
<b>Total</b>	\$ 2,471,813	\$ 99,292,801		\$ 101,764,614

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>1</sup>				
<b>Assets:</b>				
Foreign currency exchange contracts		\$ 110,639		\$ 110,639
Interest rate contracts	\$ 4,256			4,256
<b>Liabilities:</b>				
Foreign currency exchange contracts		(225,341)		(225,341)
Interest rate contracts		(305,045)		(305,045)
<b>Total</b>	\$ 4,256	\$ (419,747)		\$ (415,491)

<sup>1</sup> Derivative financial instruments are futures contracts, forward foreign currency exchange contracts and options written. 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 Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, reverse repurchase agreements of \$11,530,463 are categorized as Level 2 within the disclosure hierarchy.

During the period ended September 30, 2017, there were no transfers between levels.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act )) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto



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

BlackRock Enhanced Government Fund, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Enhanced Government Fund, Inc.

Date: November 20, 2017

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

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Enhanced Government Fund, Inc.

Date: November 20, 2017

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Enhanced Government Fund, Inc.

Date: November 20, 2017