

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

Form N-CSRS

April 02, 2014

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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 811-06540

Name of Fund: BlackRock MuniYield Quality Fund III, Inc. (MYI)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield Quality

Fund III, 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: 07/31/2014

Date of reporting period: 01/31/2014

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Item 1 Report to Stockholders

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JANUARY 31, 2014

**SEMI-ANNUAL REPORT (UNAUDITED)**

**BlackRock MuniHoldings Quality Fund II, Inc. (MUE)**

**BlackRock MuniYield California Quality Fund, Inc. (MCA)**

**BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)**

**BlackRock MuniYield New York Quality Fund, Inc. (MYN)**

**BlackRock MuniYield Quality Fund III, Inc. (MYI)**

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

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### Dear Shareholder

One year ago, US financial markets were improving despite a sluggish global economy, as loose monetary policy beckoned investors to take on more risk in their portfolios. Slow but positive growth in the US was sufficient to support corporate earnings, while uncomfortably high unemployment reinforced expectations that the Federal Reserve would continue its aggressive monetary stimulus programs. International markets were not as fruitful in the earlier part of the year given uneven growth rates and more direct exposure to macro risks such as the resurgence of political instability in Italy, the banking crisis in Cyprus and a generally poor outlook for European economies. Additionally, emerging markets significantly lagged the rest of the world due to slowing growth and structural imbalances.

Global financial markets were rattled in May when Fed Chairman Bernanke mentioned the possibility of reducing (or tapering) the central bank's asset purchase programs' comments that were widely misinterpreted as signaling an end to the Fed's zero-interest-rate policy. US Treasury yields rose sharply, triggering a steep sell-off across fixed income markets. (Bond prices move in the opposite direction of yields.) Equity prices also suffered as investors feared the implications of a potential end of a program that had greatly supported the markets. Markets rebounded in late June, however, when the Fed's tone turned more dovish, and improving economic indicators and better corporate earnings helped extend gains through most of the summer.

The fall was a surprisingly positive period for most asset classes after the Fed defied market expectations with its decision to delay tapering. Higher volatility returned in late September when the US Treasury Department warned that the national debt would soon breach its statutory maximum. The ensuing political brinkmanship led to a partial government shutdown, roiling global financial markets through the first half of October, but equities and other so-called risk assets resumed their rally when politicians engineered a compromise to reopen the government and extend the debt ceiling, at least temporarily.

The remainder of 2013 was generally positive for stock markets in the developed world, although investors continued to grapple with uncertainty about when and how much the Fed would scale back on stimulus. When the long-awaited taper announcement ultimately came in mid-December, the Fed reduced the amount of its monthly asset purchases but at the same time extended its time horizon for maintaining low short-term interest rates. Markets reacted positively, as this move signaled the Fed's perception of real improvement in the economy and investors were finally relieved from the tenacious anxiety that had gripped them for quite some time.

Investors' risk appetite diminished in the new year. Heightened volatility in emerging markets and mixed US economic data caused global equities to weaken in January while bond markets found renewed strength. While tighter global liquidity was an ongoing headwind for developing countries, financial troubles in Argentina and Turkey launched a sharp sell-off in a number of emerging market currencies. Unexpectedly poor economic data out of China added to the turmoil. In the US, most indicators continued to signal a strengthening economy; however, stagnant wage growth raised concerns about the sustainability of the overall positive momentum. US stocks underperformed other developed equity markets as a number of disappointing corporate earnings reports prompted investors to take advantage of lower valuations abroad.

While accommodative monetary policy was the main driver behind positive market performance over the period, it was also the primary cause of volatility and uncertainty. Developed market stocks were the strongest performers for the six- and 12-month periods ended January 31. In contrast, emerging markets were weighed down by uneven growth, high debt levels and severe currency weakness. Rising interest rates pressured US Treasury bonds and other high-quality fixed income sectors, including tax-exempt municipals and investment grade corporate bonds. High yield bonds, to the contrary, benefited from income-oriented investors' search for yield in the low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities near historical lows.

At BlackRock, we believe investors need to think globally and extend their scope across a broader 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 [www.blackrock.com](http://www.blackrock.com) for further insight about investing in today's world.

Sincerely,

Rob Kapito

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President, BlackRock Advisors, LLC

*While accommodative monetary policy was the main driver behind positive market performance over the period, it was also the primary cause of volatility and uncertainty.*

Rob Kapito

President, BlackRock Advisors, LLC

## Total Returns as of January 31, 2014

	<b>6-month</b>	<b>12-month</b>
US large cap equities (S&P 500® Index)	6.85%	21.52%
US small cap equities (Russell 2000® Index)	8.88	27.03
International equities (MSCI Europe, Australasia, Far East Index)	7.51	11.93
Emerging market equities (MSCI Emerging Markets Index)	(0.33)	(10.17)
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.03	0.08
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	0.77	(2.97)
US investment grade bonds (Barclays US Aggregate Bond Index)	1.78	0.12
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.13	(1.10)
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	4.70	6.76

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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**Table of Contents****Municipal Market Overview**

For the Reporting Period Ended January 31, 2014

**Municipal Market Conditions**

In the earlier months of 2013, municipal bond supply was met with robust demand as investors were starved for yield in the low-rate, low-return environment and seeking tax-exempt investments in light of higher US tax rates that became effective at the turn of the year. Investors moved into municipal bond mutual funds, favoring long-duration and high-yield funds as they tend to provide higher levels of income.

However, market conditions turned less favorable in May when the US Federal Reserve initially mentioned the eventual reduction of its bond-buying stimulus program (which ultimately took effect in January 2014). Further signals from the Fed alluding to a retrenchment of asset purchases led to rising interest rates and waning municipal bond performance in June. (Bond prices fall as rates rise.) Municipal bond mutual funds saw strong outflows in the last six months of 2013, before investors again sought the relative safety of the asset class in the New Year. For the 12-month period ended January 31, 2014, net outflows were approximately \$62.8 billion (based on data from the Investment Company Institute).

High levels of interest rate volatility resulted in a sharp curtailment of tax-exempt issuance in May through the end of the period. However, from a historical perspective, total new issuance for the 12 months ended January 31, 2014 remained relatively strong at \$322 billion (but meaningfully lower than the \$389 billion issued in the prior 12-month period). A significant portion of new supply during this period was attributable to refinancing activity (roughly 40%) as issuers took advantage of lower interest rates to reduce their borrowing costs. Total new supply was also supported by recent activity in the taxable market, where taxable municipal issuance was up approximately 15% year-over-year.

<b>S&amp;P Municipal Bond Index</b>	
Total Returns as of January 31, 2014	
6 months:	3.13%
12 months:	(1.10)%

**A Closer Look at Yields**

From January 31, 2013 to January 31, 2014, muni yields increased by 99 basis points ( bps ) from 2.86% to 3.85% on AAA-rated 30-year municipal bonds, while increasing 71 bps from 1.82% to 2.53% on 10-year bonds and rising another 31 bps from 0.79% to 1.10% on 5-year issues (as measured by Thomson Municipal Market Data). Overall, the municipal yield curve remained relatively steep over the 12-month period as the spread between 2- and 30-year maturities widened by 103 bps and the spread between 2- and 10-year maturities widened by 75 bps.

During the same time period, US Treasury rates rose by 43 bps on 30-year and 66 bps on 10-year bonds, while moving up 61 bps in 5-years. Accordingly, tax-exempt municipal bonds underperformed Treasuries on the long end of the yield curve as investors sought to reduce interest rate risk later in the period. On the short end of the curve, the outperformance of municipal bonds versus Treasuries was driven largely by a supply/demand imbalance within the municipal market and a rotation from long-duration assets (which are more sensitive to interest rate movements) into short- and intermediate-duration investments (which are less sensitive to interest rate movements). Additionally, municipal bonds benefited from the increased appeal of tax-exempt investing in the new higher tax rate environment. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise. The municipal market continues to be an attractive avenue for investors seeking yield in today's environment, particularly as the recent correction has restored value in the market and placed yields at levels not obtainable since early 2011. However, opportunities have not been as broad-based as in 2011 and 2012, warranting a more tactical approach going forward.

**Financial Conditions of Municipal Issuers Continue to Improve**

Following an extended period of nation-wide austerity and de-leveraging as states sought to balance their budgets, 14 consecutive quarters of positive revenue growth coupled with the elimination of more than 750,000 jobs in recent years have put state and local governments in a better financial position. Many local municipalities, however, continue to face increased health care and pension costs passed down from the state level. BlackRock maintains the view that municipal bond defaults will be minimal and remain in the periphery, and that the overall market is fundamentally sound. We continue to recognize that careful credit research, appropriate structure and security selection remain imperative amid

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uncertainty in this tepid economic environment.

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### The Benefits and Risks of Leveraging

The Funds 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.

To obtain leverage, the Funds issue Variable Rate Demand Preferred Shares ( VRDP Shares ) or Variable Rate Muni Term Preferred Shares ( VMTP Shares ) (VRDP Shares and VMTP Shares are collectively referred to as Preferred Shares ). Preferred Shares pay dividends at prevailing short-term interest rates, and the Funds invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund'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. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares ( Preferred Shareholders ) are significantly lower than the income earned on the Fund's long-term investments, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' 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 redemption value of the Funds' Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAVs positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also leverage their assets through the use of tender option bond trusts ( TOBs ), as described in Note 3 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Fund's NAV per share.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Fund 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 a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by rating agencies that rate the Preferred Shares issued by the Funds. Each Fund 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.

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Under the Investment Company Act of 1940, as amended (the "1940 Act"), the Funds are permitted to issue senior securities in the form of equity securities (e.g., Preferred Shares) up to 50% of their total managed assets (each Fund's total assets less its total accrued liabilities). In addition, each Fund voluntarily limits its economic leverage to 45% of its total managed assets. As of January 31, 2014, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	<b>Percent of Economic Leverage</b>
MUE	39%
MCA	38%
MYM	38%
MYN	38%
MYI	40%

## Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts and options, 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 and/or interest rate 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 Funds' 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 Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders and/or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

**Table of Contents****Fund Summary** as of January 31, 2014**BlackRock MuniHoldings Quality Fund II,  
Inc.****Fund Overview**

BlackRock MuniHoldings Quality Fund II, Inc.'s (MUE) (the Fund) investment objective is to provide shareholders with current income exempt from federal income taxes. The Fund seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six-month period ended January 31, 2014, the Fund returned 6.36% based on market price and 6.70% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 7.76% based on market price and 5.69% based on NAV. All returns reflect reinvestment of dividends. The Fund'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.

The Fund benefited from its holdings in the State of California. The continued improvement in the State's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Fund's longer-dated holdings in health care, education and transportation experienced the strongest price appreciation. (Bond prices rise when rates fall.)

The Fund's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially during the period due to investors' lack of confidence and a weak local economy. The Fund's positions in Puerto Rico government-related securities were eliminated by the end of the period.

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 )	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of January 31, 2014 (\$12.66) <sup>1</sup>	6.68%
Tax Equivalent Yield <sup>2</sup>	11.80%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0705
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8460
Economic Leverage as of January 31, 2014 <sup>4</sup>	39%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

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BlackRock MuniHoldings Quality Fund II, Inc.

**Market Price and Net Asset Value Per Share Summary**

	1/31/14	7/31/13	Change	High	Low
Market Price	\$ 12.66	\$ 12.32	2.76%	\$ 12.85	\$ 11.67
Net Asset Value	\$ 13.68	\$ 13.27	3.09%	\$ 13.71	\$ 12.70

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

Sector Allocation	1/31/14	7/31/13
Transportation	34%	28%
County/City/Special District/School District	25	25
Utilities	17	21
Health	10	8
State	8	9
Education	3	6
Tobacco	2	2
Housing	1	1
Credit Quality Allocation <sup>1</sup>	1/31/14	7/31/13
AAA/Aaa	5%	7%
AA/Aa	64	65
A	30	28
BBB/Baa	1	

<sup>1</sup> Using the higher of Standard & Poor's (S&P) or Moody's Investors Service (Moody's) ratings.

**Call/Maturity Schedule<sup>2</sup>**

Calendar Year Ended December 31,

2014	2%
2015	2
2016	2
2017	1
2018	27

<sup>2</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**Table of Contents****Fund Summary** as of January 31, 2014**BlackRock MuniYield California Quality Fund, Inc.****Fund Overview**

BlackRock MuniYield California Quality Fund, Inc.'s (MCA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and California income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six-month period ended January 31, 2014, the Fund returned 7.24% based on market price and 7.98% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 8.06% based on market price and 6.82% based on NAV. All returns reflect reinvestment of dividends. The Fund'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.

The Fund's exposure to bonds with longer maturities, which tend to have higher durations (greater sensitivity to interest rate movements), contributed positively to performance as interest rates on tax-exempt bonds declined during the period. (Bond prices rise when rates fall.) Security selection had a positive impact on returns as the Fund's holdings of high-quality school district issues performed well due to continued improvement in the State of California's finances. Holdings of securities in the education and utilities sectors also added to results. Leverage on the Fund's assets achieved through the use of tender option bonds amplified the positive effect of falling rates on performance.

While the Fund's cash reserves were generally maintained at a minimal level, to the extent reserves were held, the cash holdings added little in the form of additional yield and provided no price appreciation in a generally positive period for the municipal market.

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 NYSE	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of January 31, 2014 (\$14.17) <sup>1</sup>	6.44%
Tax Equivalent Yield <sup>2</sup>	13.12%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.076
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.912
Economic Leverage as of January 31, 2014 <sup>4</sup>	38%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 50.93%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

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**Table of Contents****BlackRock MuniYield California Quality Fund, Inc.****Market Price and Net Asset Value Per Share Summary**

	<b>1/31/14</b>	<b>7/31/13</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 14.17	\$ 13.66	3.73%	\$ 14.30	\$ 13.00
Net Asset Value	\$ 15.49	\$ 14.83	4.45%	\$ 15.51	\$ 14.24

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

<b>Sector Allocation</b>	<b>1/31/14</b>	<b>7/31/13</b>
County/City/Special District/School District	39%	39%
Utilities	25	26
Education	13	12
Health	9	9
Transportation	9	9
State	5	5
<b>Credit Quality Allocation<sup>1</sup></b>	<b>1/31/14</b>	<b>7/31/13</b>
AAA/Aaa	11%	10%
AA/Aa	74	76
A	15	14

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

**Call/Maturity Schedule<sup>2</sup>**

Calendar Year Ended December 31,

2014	1%
2015	10
2016	9
2017	17
2018	9

<sup>2</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.



**Table of Contents****Fund Summary** as of January 31, 2014**BlackRock MuniYield Michigan Quality Fund II, Inc.****Fund Overview**

BlackRock MuniYield Michigan Quality Fund II, Inc.'s (MYM) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and Michigan income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Michigan income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six-month period ended January 31, 2014, the Fund returned 5.99% based on market price and 5.78% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 3.25% based on market price and 4.82% based on NAV. 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. The following discussion relates to performance based on NAV.

Contributing positively to performance was the Fund's income generated from coupon payments on its portfolio of Michigan state tax-exempt municipal bonds. The Fund's duration exposure (sensitivity to interest rate movements) had a positive impact on returns as municipal interest rates declined during the period. (Bond prices rise when rates fall.) Exposure to longer-dated bonds added to returns as the municipal yield curve flattened (i.e., longer-term rates fell more than shorter-term rates). Additionally, the Fund's exposure to the education sector boosted results as these bonds generally outperformed the broader market during the period.

The Fund's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially during the period due to investors' lack of confidence and a weak local economy. The Fund's positions in Puerto Rico government-related securities were eliminated by the end of the period.

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 NYSE	MYM
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of January 31, 2014 (\$11.91) <sup>1</sup>	6.80%
Tax Equivalent Yield <sup>2</sup>	12.55%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0675
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8100
Economic Leverage as of January 31, 2014 <sup>4</sup>	38%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 45.81%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

**Table of Contents****BlackRock MuniYield Michigan Quality Fund II, Inc.****Market Price and Net Asset Value Per Share Summary**

	1/31/14	7/31/13	Change	High	Low
Market Price	\$ 11.91	\$ 11.64	2.32%	\$ 12.00	\$ 11.03
Net Asset Value	\$ 13.56	\$ 13.28	2.11%	\$ 13.59	\$ 12.55

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

<b>Sector Allocation</b>	<b>1/31/14</b>	<b>7/31/13</b>
County/City/Special District/School District	26%	25%
Education	18	16
Health	16	15
Utilities	15	15
State	10	14
Transportation	9	9
Housing	4	4
Corporate	2	2
<b>Credit Quality Allocation<sup>1</sup></b>	<b>1/31/14</b>	<b>7/31/13</b>
AAA/Aaa	1%	1%
AA/Aa	75	76
A	24	22
BBB/Baa		1
Not Rated <sup>2</sup>		

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

<sup>2</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2014 and July 31, 2013, the market value of these securities was \$162,990 and \$164,281, respectively, each representing less than 1% of the Fund's long-term investments.

**Call/Maturity Schedule<sup>3</sup>**

Calendar Year Ended December 31,

2014	12%
2015	11
2016	5
2017	8
2018	13

<sup>3</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.



**Table of Contents****Fund Summary** as of January 31, 2014**BlackRock MuniYield New York Quality Fund, Inc.****Fund Overview**

BlackRock MuniYield New York Quality Fund, Inc. s (MYN) (the Fund ) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New York State and New York City personal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New York State and New York City personal income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six-month period ended January 31, 2014, the Fund returned 5.59% based on market price and 6.01% based on NAV. For the same period, the closed-end Lipper New York Municipal Debt Funds category posted an average return of 5.26% based on market price and 4.89% based on NAV. All returns reflect reinvestment of dividends. The Fund 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.

Interest rates on tax-exempt bonds declined over the course of the period, with longer-duration (higher sensitivity to interest rate movements) and longer-dated bonds tending to provide the largest returns. (Bond prices rise when rates fall.) In this environment, the Fund s holdings in health care, education and transportation were positive contributors to performance as these were the best performing sectors. Exposure to lower-coupon and zero-coupon bonds also benefited returns as they had strong price performance due to their relatively long durations for their respective maturities. The Fund s significant exposure to high-quality issues had a positive impact on results as the market s strongest performance during the period was concentrated in high-quality issues. Additionally, the Fund benefited from the income generated from coupon payments on its municipal bond holdings. The use of leverage allowed the Fund to maximize its income.

The Fund s exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially during the period due to investors lack of confidence and a weak local economy.

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 NYSE	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of January 31, 2014 (\$12.59) <sup>1</sup>	6.48%
Tax Equivalent Yield <sup>2</sup>	13.14%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.068
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.816
Economic Leverage as of January 31, 2014 <sup>4</sup>	38%

<sup>1</sup> 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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- <sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 50.67%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

**Table of Contents****BlackRock MuniYield New York Quality  
Fund, Inc.****Market Price and Net Asset Value Per Share Summary**

	<b>1/31/14</b>	<b>7/31/13</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$12.59	\$12.34	2.03%	\$12.62	\$11.64
Net Asset Value	\$13.49	\$13.17	2.43%	\$13.53	\$12.55

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

<b>Sector Allocation</b>	<b>1/31/14</b>	<b>7/31/13</b>
County/City/Special District/School District	29%	28%
Transportation	24	26
Education	17	14
Utilities	10	9
State	8	11
Health	6	6
Housing	4	4
Corporate	2	2
<b>Credit Quality Allocation<sup>1</sup></b>	<b>1/31/14</b>	<b>7/31/13</b>
AAA/Aaa	17%	15%
AA/Aa	51	49
A	29	33
BBB/Baa	3	2
BB/Ba		1
Not Rated <sup>2</sup>		

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

<sup>2</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2014 and July 31, 2013, the market value of these securities was \$3,014,724 and \$2,889,618, respectively, each representing less than 1% of the Fund's long-term investments.

**Call/Maturity Schedule<sup>3</sup>**

Calendar Year Ended December 31,

2014	13%
2015	14
2016	5
2017	10
2018	7

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<sup>3</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

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**Table of Contents****Fund Summary** as of January 31, 2014**BlackRock MuniYield Quality Fund III, Inc.****Fund Overview**

BlackRock MuniYield Quality Fund III, Inc.'s (MYI) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six-month period ended January 31, 2014, the Fund returned 7.40% based on market price and 6.70% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 7.76% based on market price and 5.69% based on NAV. 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. The following discussion relates to performance based on NAV.

Contributing positively to performance was the Fund's income generated from coupon payments on its portfolio of municipal bonds. The Fund's duration exposure (sensitivity to interest rate movements) had a positive impact on returns as municipal interest rates declined during the period. (Bond prices rise when rates fall.) Exposure to longer-dated bonds added to returns as the municipal yield curve flattened (i.e., longer-term rates fell more than shorter-term rates). Additionally, the Fund's holdings of California State municipal bonds boosted results as these bonds generally outperformed the broader market during the period.

The Fund's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially during the period due to investors' lack of confidence and a weak local economy. The Fund's positions in Puerto Rico government-related securities were eliminated by the end of the period.

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 NYSE	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of January 31, 2014 (\$13.29) <sup>1</sup>	6.50%
Tax Equivalent Yield <sup>2</sup>	11.48%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.072
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.864
Economic Leverage as of January 31, 2014 <sup>4</sup>	40%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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- <sup>3</sup> The monthly distribution per common share, declared on March 3, 2014, was increased to \$0.074 per share. 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 in the future.
- <sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

**Table of Contents****BlackRock MuniYield Quality Fund III, Inc.****Market Price and Net Asset Value Per Share Summary**

	<b>1/31/14</b>	<b>7/31/13</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$13.29	\$12.80	3.83%	\$13.52	\$12.04
Net Asset Value	\$14.07	\$13.64	3.15%	\$14.08	\$13.03

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

<b>Sector Allocation</b>	<b>1/31/2014</b>	<b>7/31/13</b>
Transportation	26%	27%
County/City/Special District/School District	22	17
Utilities	18	17
State	13	18
Health	10	9
Education	8	9
Housing	2	2
Corporate	1	1
<b>Credit Quality Allocation<sup>1</sup></b>	<b>1/31/14</b>	<b>7/31/13</b>
AAA/Aaa	11%	10%
AA/Aa	60	62
A	26	26
BBB/Baa	2	1
Not Rated	1	1

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

**Call/Maturity Schedule<sup>2</sup>**

Calendar Year Ended December 31,

2014	9%
2015	1
2016	5
2017	16
2018	22

<sup>2</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**Table of Contents****Schedule of Investments** January 31, 2014 (Unaudited)**BlackRock MuniHoldings Quality Fund II, Inc. (MUE)**

(Percentages shown are based on Net Assets)

	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Alabama 2.2%</b>		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	\$ 5,225	\$ 5,900,906
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	940	945,593
		6,846,499
<b>California 22.7%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	5,050	5,554,596
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	2,865	3,293,146
California State Public Works Board, LRB: Department of Corrections and Rehabilitation, Series F, 5.25%, 9/01/33	1,260	1,357,259
Various Capital Projects, Series I, 5.50%, 11/01/31	3,130	3,497,744
Various Capital Projects, Series I, 5.50%, 11/01/33	3,000	3,380,820
California State Public Works Board, RB, Series I, 5.50%, 11/01/30	5,000	5,621,750
City & County of San Francisco California Airports Commission, ARB, Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	1,250	1,255,325
City & County of San Francisco California Airports Commission, Refunding ARB, 2nd Series A, AMT: 5.50%, 5/01/28	1,800	1,999,566
5.25%, 5/01/33	1,410	1,499,070
City of San Jose California, Refunding ARB, Series A-1, AMT, 5.50%, 3/01/30	4,045	4,366,739
City of Sunnyvale California, Refunding RB, 5.25%, 4/01/40	2,800	3,014,816
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41	3,500	3,875,375
County of Ventura Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/33	3,175	3,552,317
Emery Unified School District, GO, Election of 2010, Series A (AGM), 5.50%, 8/01/35	1,875	2,032,950
Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33	2,445	2,787,275
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	\$ 5,000	\$ 5,357,300
Election of 2008, Series C, 5.25%, 8/01/39	2,000	2,206,780
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	1,675	1,773,172
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34	2,670	2,882,425
University of California, Refunding RB: Limited Project, Series G, 5.00%, 5/15/37	1,500	1,604,850
The Regents of Medical Center, Series J, 5.25%, 5/15/38	7,580	8,084,297
Washington Township Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	940	1,036,181
		70,033,753
<b>Colorado 2.2%</b>		
City & County of Denver Colorado Airport System, ARB, Series A, AMT:		

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5.50%, 11/15/28	1,500	1,631,220
5.50%, 11/15/30	565	607,906
5.50%, 11/15/31	675	721,298
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26	3,300	3,693,129
		6,653,553
<b>Florida 18.9%</b>		
City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/26	2,000	2,235,960
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	405	440,826
County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29	2,995	3,237,236
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	2,500	2,602,000
County of Miami-Dade Florida, RB, Seaport: Series A, 5.38%, 10/01/33	1,765	1,879,884
Series A, 5.50%, 10/01/42	3,000	3,196,530
Series B, AMT, 6.25%, 10/01/38	800	890,776
Series B, AMT, 6.00%, 10/01/42	1,060	1,155,665
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29	4,730	5,239,894

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

<b>AGC</b>	Assured Guarantee Corp.	<b>HDA</b>	Housing Development Authority
<b>AGM</b>	Assured Guaranty Municipal Corp.	<b>HFA</b>	Housing Finance Agency
<b>AMBAC</b>	American Municipal Bond Assurance Corp.	<b>IBC</b>	Insured Bond Certificates
<b>AMT</b>	Alternative Minimum Tax (subject to)	<b>IDA</b>	Industrial Development Authority
<b>ARB</b>	Airport Revenue Bonds	<b>IDB</b>	Industrial Development Board
<b>BARB</b>	Building Aid Revenue Bonds	<b>IDRB</b>	Industrial Development Revenue Bond
<b>BHAC</b>	Berkshire Hathaway Assurance Corp.	<b>ISD</b>	Independent School District
<b>BOCES</b>	Board of Cooperative Educational Services	<b>LRB</b>	Lease Revenue Bonds
<b>CAB</b>	Capital Appreciation Bonds	<b>M/F</b>	Multi-Family
<b>COP</b>	Certificates of Participation	<b>NPFGC</b>	National Public Finance Guarantee Corp.
<b>EDA</b>	Economic Development Authority	<b>PILOT</b>	Payment in Lieu of Taxes
<b>EDC</b>	Economic Development Corp.	<b>PSF-GTD</b>	Permanent School Fund Guaranteed
<b>ERB</b>	Education Revenue Bonds	<b>Q-SBLF</b>	Qualified School Board Loan Fund
<b>FHA</b>	Federal Housing Administration	<b>RB</b>	Revenue Bonds
<b>GAB</b>	Grant Anticipation Bonds	<b>S/F</b>	Single-Family
<b>GARB</b>	General Airport Revenue Bonds	<b>SONYMA</b>	State of New York Mortgage Agency
<b>GO</b>	General Obligation Bonds	<b>Syncora</b>	Syncora Guarantee

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Florida (concluded)</b>		
County of Miami-Dade Florida Aviation, Refunding ARB, AMT Series A:		
Miami International Airport (AGM), 5.25%, 10/01/41	\$ 4,610	\$ 4,674,355
Miami International Airport (AGM), 5.50%, 10/01/41	4,180	4,504,243
5.00%, 10/01/31	5,155	5,282,174
5.00%, 10/01/32	5,000	5,091,200
County of Orange School Board, COP, Series A (AGC), 5.50%, 8/01/34	7,600	8,208,456
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	1,805	1,968,912
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36	6,965	7,520,250
		58,128,361
<b>Georgia 2.1%</b>		
Augusta Georgia Water & Sewerage, RB (AGM), 5.25%, 10/01/34	6,290	6,451,087
<b>Hawaii 0.7%</b>		
State of Hawaii Department of Transportation, COP, AMT:		
5.25%, 8/01/25	740	805,046
5.25%, 8/01/26	1,205	1,306,148
		2,111,194
<b>Idaho 0.0%</b>		
Idaho Housing & Finance Association, RB, S/F Mortgage, Series E, AMT, 6.00%, 1/01/32	145	145,164
<b>Illinois 16.8%</b>		
City of Chicago Illinois, GARB, O Hare International Airport:		
Series A (AGM), 5.00%, 1/01/38	3,000	3,037,080
3rd Lien, Series A, 5.75%, 1/01/39	2,000	2,117,860
3rd Lien, Series C, 6.50%, 1/01/41	9,085	10,350,994
City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38	1,310	1,358,876
City of Chicago Illinois Midway Airport, Refunding GARB, AMT, 2nd Lien, Series A:		
5.50%, 1/01/28	1,000	1,068,200
5.50%, 1/01/29	1,500	1,589,895
5.38%, 1/01/33	2,000	2,046,840
City of Chicago Illinois Transit Authority, RB:		
Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 6/01/26		
	3,400	3,714,840
Sales Tax Receipts, 5.25%, 12/01/36	1,060	1,104,817
Sales Tax Receipts, 5.25%, 12/01/40	6,735	6,934,895
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	2,985	3,000,373
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.25%, 12/01/30	1,270	1,359,535
5.50%, 12/01/38	1,730	1,857,605
5.25%, 12/01/43	3,000	3,097,500
Illinois Finance Authority, RB, University of Chicago, Series B, 5.50%, 7/01/37	1,000	1,095,950
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	2,350	2,629,955
6.00%, 6/01/28	670	743,164
State of Illinois, GO, Various Purposes:		
5.50%, 7/01/33	1,000	1,061,050
5.50%, 7/01/38	700	729,204
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28		
	2,500	2,741,250

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	Par	51,639,883
	(000)	Value
<b>Municipal Bonds</b>		
<b>Indiana 1.1%</b>		
Indiana Finance Authority, RB, Ohio River Bridges East End Crossing Project, Series A, AMT: 5.00%, 7/01/40	\$ 460	\$ 436,476
5.00%, 7/01/44	475	447,426
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,370	2,519,547
		3,403,449
<b>Louisiana 2.1%</b>		
Lake Charles Harbor & Terminal District, RB, Series B, AMT, 5.50%, 1/01/29	2,225	2,410,587
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A: 5.50%, 5/15/28	1,890	1,969,569
5.50%, 5/15/29	2,020	2,098,194
		6,478,350
<b>Massachusetts 2.2%</b>		
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	1,500	1,515,120
Massachusetts School Building Authority, RB (AGM): 5.00%, 8/15/15 (a)	645	692,104
5.00%, 8/15/30	230	243,099
Series A, 5.00%, 8/15/15 (a)	4,125	4,426,249
		6,876,572
<b>Michigan 4.3%</b>		
City of Detroit Michigan, Refunding RB, Sewage Disposal System Senior Lien: Series B (AGM), 7.50%, 7/01/33	1,330	1,417,527
Series C-1 (AGM), 7.00%, 7/01/27	4,180	4,447,102
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	3,420	3,579,098
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/39	3,115	3,784,476
		13,228,203
<b>Minnesota 0.7%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	1,975	2,275,990
<b>Mississippi 1.3%</b>		
Mississippi Development Bank, RB, Special Obligation, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	2,225	2,768,924
Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38	1,000	1,093,030
		3,861,954
<b>Nevada 2.8%</b>		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	3,210	3,352,363
County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38	5,000	5,171,550
		8,523,913
<b>New Jersey 6.7%</b>		
New Jersey EDA, RB, The Goethals Bridge Replacement Project: AMT, 5.38%, 1/01/43	1,940	1,952,513
AMT, 5.00%, 1/01/31	1,355	1,370,799
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38	3,400	3,558,372

See Notes to Financial Statements.





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## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey (concluded)</b>		
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A, 5.50%, 6/15/41	\$ 3,030	\$ 3,222,041
Series A (AGC), 5.63%, 12/15/28	2,930	3,356,403
Series AA, 5.50%, 6/15/39	3,040	3,304,146
Rutgers The State University of New Jersey, Refunding RB:		
Series J, 5.00%, 5/01/32	2,100	2,324,217
Series L, 5.00%, 5/01/32	1,300	1,438,801
		20,527,292
<b>New York 8.5%</b>		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, 2nd General Resolution, Fiscal 2009, Series EE, 5.25%, 6/15/40		
	6,930	7,344,691
City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution, Series EE, 5.38%, 6/15/43		
	2,220	2,381,039
City of New York New York Transitional Finance Authority, BARB, Fiscal 2011, Sub-Series S-2A, 5.00%, 7/15/30		
	4,045	4,420,659
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47		
	940	1,015,755
Metropolitan Transportation Authority, RB, Series A, 5.25%, 11/15/38		
	8,500	8,965,800
Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36		
	2,000	2,196,260
		26,324,204
<b>Ohio 1.4%</b>		
Ohio State Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 2/15/30		
	1,480	1,634,512
5.25%, 2/15/31		
	2,500	2,745,000
		4,379,512
<b>Pennsylvania 0.9%</b>		
Bristol Township School District, GO, 5.25%, 6/01/37		
	2,500	2,651,250
<b>South Carolina 4.8%</b>		
City of North Charleston South Carolina, RB, Public Facilities Corp., Installment Purchase, 5.00%, 6/01/35		
	1,880	1,982,028
County of Charleston South Carolina, RB, Special Source, Series 2013, 5.25%, 12/01/38		
	3,760	4,119,569
County of Charleston South Carolina Airport District, ARB, Series A, AMT: 6.00%, 7/01/38		
	2,940	3,211,626
5.50%, 7/01/41		
	2,500	2,642,875
South Carolina State Public Service Authority, Refunding RB, Santee Cooper, Series A, 5.50%, 1/01/38		
	2,500	2,753,625
		14,709,723
<b>Texas 19.4%</b>		
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37		
	2,345	2,579,453
City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35		
	6,700	7,659,440
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37		
	3,000	3,316,140
Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38		
	4,555	4,940,626
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Texas (concluded)</b>		
Dallas-Fort Worth International Airport, ARB, Joint Improvement AMT:		

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Series A, 5.00%, 11/01/38	\$ 1,615	\$ 1,621,298
Series H, 5.00%, 11/01/37	1,810	1,820,263
Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33	2,155	2,352,894
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	7,000	7,637,700
North Texas Tollway Authority, Refunding RB, 1st Tier System:		
Series A (NPFGC), 5.63%, 1/01/33	10,975	11,888,230
Series A (NPFGC), 5.75%, 1/01/40	11,575	12,533,294
Series B (NPFGC), 5.75%, 1/01/40	1,000	1,082,790
Series K-2 (AGC), 6.00%, 1/01/38	1,000	1,109,610
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	1,070	1,172,196
		59,713,934
<b>Virginia 1.2%</b>		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	945	1,005,253
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	2,195	2,756,657
		3,761,910
<b>Washington 1.5%</b>		
City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36	2,400	2,613,672
State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36	1,865	2,038,240
		4,651,912
<b>Total Municipal Bonds 124.5%</b>		383,377,662

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (b)**

<b>Alabama 1.3%</b>		
City of Mobile Alabama Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31	3,750	3,921,450
<b>California 1.8%</b>		
Sequoia Union High School District California, GO, Refunding, Election of 2004, Series B (AGM), 5.50%, 7/01/35	5,189	5,572,090
<b>Colorado 3.1%</b>		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-3 (AGM), 5.10%, 10/01/41	9,410	9,559,901
<b>District of Columbia 0.6%</b>		
<b>Utility 0.6%</b>		
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/35 (c)	1,700	1,910,790
<b>Florida 7.1%</b>		
City of St. Petersburg Florida, Refunding RB (NPFGC), 5.00%, 10/01/35	6,493	6,783,692
County of Lee Florida Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	1,020	1,064,023
County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 6.00%, 7/01/38	12,500	14,037,375
		21,885,090

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (b)</b>		
<b>Illinois 4.6%</b>		
City of Chicago Illinois, ARB, O Hare International Airport, Series A (AGM), 5.00%, 1/01/38	\$ 10,000	\$ 10,123,600
City of Chicago Illinois, Refunding RB, Waterworks, 2nd Lien (AGM), 5.25%, 11/01/33	3,967	4,111,602
		14,235,202
<b>Kentucky 0.9%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	2,304	2,587,237
<b>Nevada 6.8%</b>		
County of Clark Nevada Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38	10,000	11,380,700
Series B, 5.50%, 7/01/29	8,247	9,570,943
		20,951,643
<b>New Jersey 1.8%</b>		
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	3,861	4,058,331
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (c)	1,500	1,595,326
		5,653,657
<b>New York 7.0%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF, 5.00%, 6/15/45	5,958	6,231,430
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	2,300	2,477,065
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	7,515	7,992,278
	<b>Par</b>	
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (b)</b>		
<b>New York (concluded)</b>	<b>(000)</b>	<b>Value</b>
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (c)	\$ 4,400	\$ 4,745,664
		21,446,437
<b>Texas 1.4%</b>		
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38	4,296	4,428,301
<b>Utah 0.8%</b>		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	2,503	2,583,964
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 37.2%</b>		114,735,762
<b>Total Long-Term Investments (Cost \$473,240,470) 161.7%</b>		498,113,424
<b>Short-Term Securities</b>		
FFI Institutional Tax-Exempt Fund, 0.03% (d)(e)	4,937,714	4,937,714
<b>Total Short-Term Securities (Cost \$4,937,714) 1.6%</b>		4,937,714
<b>Total Investments (Cost \$478,178,184) 163.3%</b>		503,051,138
<b>Liabilities in Excess of Other Assets (0.7%)</b>		(2,144,362)

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<b>Liability for TOB Trust Certificates, Including Interest</b>	
<b>Expense and Fees Payable (20.1%)</b>	(61,871,564)
<b>VMTP Shares, at Liquidation Value (42.5%)</b>	(131,000,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>	<b>\$ 308,035,212</b>

### Notes to Schedule of Investments

- (a) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Represent bonds transferred to a TOB. In exchange for which the Fund acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (c) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire from October 1, 2016 to November 15, 2019 is \$4,822,872.
- (d) Investments in issuers considered to be an affiliate of the Fund during the six months ended January 31, 2014, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2013	Net Activity	Shares Held at January 31, 2014	Income
FPI Institutional Tax-Exempt Fund	16,070,448	(11,132,734)	4,937,714	\$ 1,085

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

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

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(282)	10-Year US Treasury Note	Chicago Board of Trade	March 2014	\$ 35,461,500	\$ (150,023)

See Notes to Financial Statements.

**Table of Contents****Schedule of Investments (concluded)****BlackRock MuniHoldings Quality Fund II, Inc. (MUE)**

**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 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. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund'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 Fund'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 Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of January 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 498,113,424		\$ 498,113,424
Short-Term Securities	\$ 4,937,714			4,937,714
<b>Total</b>	\$ 4,937,714	\$ 498,113,424		\$ 503,051,138

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (150,023)			\$ (150,023)

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

The carrying amount for certain of the Fund's assets and/or liabilities approximates fair value for financial statement purposes. As of January 31, 2014, such assets and liabilities are categorized within the disclosure hierarchy as follows:

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	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 434,000			\$ 434,000
<b>Liabilities:</b>				
TOB trust certificates		\$ (61,854,172)		(61,854,172)
VMTP Shares		(131,000,000)		(131,000,000)
<b>Total</b>	\$ 434,000	\$ (192,854,172)		\$ (192,420,172)

There were no transfers between levels during the six months ended January 31, 2014.

See Notes to Financial Statements.

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## Schedule of Investments January 31, 2014 (Unaudited)

## BlackRock MuniYield California Quality Fund, Inc. (MCA)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>California 95.6%</b>		
<b>Corporate 0.5%</b>		
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	\$ 2,435	\$ 2,735,235
<b>County/City/Special District/School District 32.1%</b>		
Centinela Valley Union High School District, GO, Refunding, Election of 2008, Series B, 6.00%, 8/01/36	2,250	2,616,300
City & County of San Francisco California, COP, AMT, Port Facilities Project, Series C, 5.25%, 3/01/32	1,050	1,120,245
Coast Community College District, GO, Refunding, Election of 2012, Series A, 5.00%, 8/01/38	2,640	2,846,950
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	2,000	2,262,920
County of Los Angeles California Metropolitan Transportation Authority, Refunding RB, Proposition A, 1st Tier, Senior Series A (AMBAC), 5.00%, 7/01/27	4,000	4,198,960
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/35	2,500	2,736,775
County of Orange California Water District, COP, Refunding, 5.25%, 8/15/34	9,045	10,012,363
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax Measure K, Series A, 6.00%, 3/01/36	2,530	2,967,235
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/37	2,565	2,812,086
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40	2,500	2,860,725
Grossmont Union High School District, GO, Election of 2008, Series C, 5.50%, 8/01/33	1,880	2,126,148
Kern Community College District, GO, Safety Repair & Improvements, Series C, 5.25%, 11/01/32	5,715	6,399,428
Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27	7,000	7,233,870
Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 4/01/39	2,045	2,269,848
Mount San Antonio Community College District, GO, Refunding, Election of 2008, Series 2013 A, 5.00%, 8/01/34	4,500	4,889,835
Ohlone Community College District, GO, Election of 2010, Series A, 5.25%, 8/01/41	8,140	8,799,177
Orchard School District, GO, Election of 2001, Series A (AGC), 5.00%, 8/01/34	7,490	7,966,739
Oxnard Union High School District California, GO, Refunding, Series A (NPFGC), 6.20%, 8/01/30	9,645	10,455,469
Pittsburg Unified School District, GO, Election of 2006, Series B (AGM):		
5.50%, 8/01/34	2,000	2,210,860
5.63%, 8/01/39	4,500	4,981,995
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,441,150
San Jose California Financing Authority, Series A, LRB, Convention Center Expansion & Renovation Project:		
5.75%, 5/01/36	2,570	2,751,930
5.75%, 5/01/42	4,500	4,911,165
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
San Jose California Financing Authority, Refunding LRB:		
Civic Center Project, 5.00%, 6/01/32	\$ 3,375	\$ 3,608,415
Convention Center Expansion & Renovation Project, 5.00%, 6/01/39	21,325	22,261,168
San Juan Unified School District, GO, Election of 2002 (AGM), 5.00%, 8/01/34	6,475	6,895,810
San Leandro California Unified School District, GO, Election of 2010, Series A, 5.75%, 8/01/41	3,000	3,298,560
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,600	6,301,288
Southwestern Community College District, GO, Election of 2008, Series C, 5.25%, 8/01/36	2,775	2,977,409

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Walnut Valley Unified School District, GO, Election of 2007, Series B, 5.75%, 8/01/41	7,680	8,580,403
<b>West Contra Costa California Unified School District, GO:</b>		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	6,140	6,447,982
Election of 2010, Series B, 5.50%, 8/01/39	3,000	3,258,840
Election of 2012, Series A, 5.50%, 8/01/39	2,500	2,715,700
		171,217,748
<b>Education 8.4%</b>		
California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,051,043
<b>Gavilan Joint Community College District, GO, Election of 2004, Series D:</b>		
5.50%, 8/01/31	2,165	2,439,327
5.75%, 8/01/35	8,400	9,548,280
University of California, Refunding RB, Limited Project, Series G, 5.00%, 5/15/37	27,780	29,721,822
		44,760,472
<b>Health 15.1%</b>		
ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare, Series A, 6.00%, 8/01/30	2,345	2,685,517
<b>California Health Facilities Financing Authority, RB:</b>		
Children s Hospital, Series A, 5.25%, 11/01/41	10,500	10,912,230
Providence Health Services, Series B, 5.50%, 10/01/39	4,105	4,584,957
Sutter Health, Series A, 5.25%, 11/15/46	6,970	7,043,603
Sutter Health, Series B, 6.00%, 8/15/42	7,715	8,867,930
<b>California Health Facilities Financing Authority, Refunding RB:</b>		
Catholic Healthcare West, Series A, 6.00%, 7/01/39	5,500	6,013,920
Catholic Healthcare West, Series A, 6.00%, 7/01/34	2,270	2,522,878
Stanford Hospital, Series A-3, 5.50%, 11/15/40	3,000	3,271,170
<b>California Statewide Communities Development Authority, RB:</b>		
Kaiser Permanente, Series A, 5.00%, 4/01/42	18,000	18,386,100
Kaiser Permanente, Series B, 5.25%, 3/01/45	6,000	6,042,000
Sutter Health, Series A, 6.00%, 8/15/42	4,460	5,126,502

See Notes to Financial Statements.



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## Schedule of Investments (continued)

BlackRock MuniYield California Quality Fund, Inc. (MCA)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
<b>Health (concluded)</b>		
California Statewide Communities Development Authority, Refunding RB:		
Catholic Healthcare West, Series D (BHAC), 5.50%, 7/01/31	\$ 865	\$ 944,865
Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	2,525	2,588,984
Washington Township Health Care District, GO, Series B, 5.50%, 8/01/38	1,250	1,382,363
		80,373,019
<b>Housing 0.0%</b>		
California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program, RB, Series A, AMT (Ginnie Mae), 6.35%, 12/01/29		
	25	25,117
County of San Bernardino California, Refunding RB, Home Mortgage-Backed Securities, Series A-1, AMT (Ginnie Mae), 6.25%, 12/01/31	15	15,971
		41,088
<b>State 7.8%</b>		
State of California, GO, Various Purposes:		
6.00%, 3/01/33	5,500	6,434,450
6.00%, 4/01/38	17,615	20,207,752
6.00%, 11/01/39	3,510	4,080,270
State of California Public Works Board, LRB:		
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,239,547
Various Capital Projects, Series I, 5.50%, 11/01/33	2,575	2,901,870
Various Capital Projects, Sub-Series I-1, 6.13%, 11/01/29	3,360	3,950,621
		41,814,510
<b>Transportation 15.1%</b>		
Bay Area Toll Authority, RB, San Francisco Bay Area Toll Bridge, Series C-1, 0.94%, 4/01/45 (a)		
	2,600	2,569,554
City & County of San Francisco California Airports Commission, ARB:		
Series E, 6.00%, 5/01/39	9,650	11,115,449
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	1,000	1,004,260
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.13%, 1/01/27	985	989,019
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,650,450
2nd Series 34E (AGM), 5.75%, 5/01/25	3,500	3,940,265
2nd Series A, 5.25%, 5/01/33	1,435	1,525,649
City of Los Angeles California Department of Airports, ARB:		
Los Angeles International Airport, Sub-Series B, 5.00%, 5/15/40	2,500	2,610,775
Los Angeles International Airport, Senior Series A, AMT, 5.00%, 5/15/38	2,550	2,659,523
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport Senior Series A:		
5.25%, 5/15/29	3,760	4,224,510
5.00%, 5/15/40	3,750	3,933,075
City of San Jose California, Refunding ARB, Series A-1, AMT, 6.25%, 3/01/34	1,400	1,576,190
County of Orange California, ARB, Series B, 5.75%, 7/01/34	5,000	5,498,800
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
<b>Transportation (concluded)</b>		
County of Sacramento California, ARB:		
Subordinated & Passenger Facility Charges/Grant, Series C (AGC), 5.75%, 7/01/39	\$ 5,555	\$ 6,210,434

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Senior Series B, AMT (AGM), 5.25%, 7/01/33	8,055	8,379,294
County of San Diego California Regional Airport Authority, Refunding ARB: Series B, 5.00%, 7/01/40	6,350	6,489,510
Sub-Series A, 5.00%, 7/01/40	2,790	2,851,296
Los Angeles Harbor Department, RB, Series B: 5.25%, 8/01/34	5,530	6,154,116
5.25%, 8/01/39	2,535	2,817,551
		80,199,720
<b>Utilities 16.6%</b>		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36	5,000	5,579,250
California Infrastructure & Economic Development Bank, Refunding RB, 5.00%, 10/01/39 (b)	4,765	5,151,584
City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A: 5.00%, 6/01/28	2,000	2,249,100
5.00%, 6/01/35	8,000	8,669,520
City of San Francisco California, Refunding RB, Public Utilities Water Commission, Series A, 5.25%, 11/01/31	6,280	6,974,066
County of Los Angeles California Public Works Financing Authority, Refunding LRB, Multiple Capital Projects II, 5.00%, 8/01/42	2,000	2,057,180
County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/38	4,895	5,238,629
Cucamonga Valley Water District Financing Authority, RB, Water Utility, 5.00%, 9/01/37	2,500	2,650,200
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41	4,000	4,694,520
East Bay Municipal Utility District, Refunding RB: Series A (NPFGC), 5.00%, 6/01/37	4,000	4,280,840
Sub-Series A, 5.00%, 6/01/30	5,000	5,582,350
Sub-Series A (AGM), 5.00%, 6/01/37	10,000	10,702,100
Sub-Series A (AMBAC), 5.00%, 6/01/33	3,000	3,238,110
Imperial Irrigation District, Refunding RB, Electric System, 5.13%, 11/01/38	5,835	6,177,456
Los Angeles Department of Water & Power, Refunding RB, Series A, 5.25%, 7/01/39	8,000	8,633,840
San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A, 5.25%, 5/15/34	2,000	2,181,260
Walnut Energy Center Authority, Refunding RB, Series A, 5.00%, 1/01/40	4,180	4,276,433
		88,336,438
<b>Total Municipal Bonds 95.6%</b>		509,478,230

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (c)**

**California 64.8%**

**County/City/Special District/School District 30.4%**

Arcadia Unified School District California, GO, Election of 2006, Series A (AGM), 5.00%, 8/01/37	7,925	8,272,568
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See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniYield California Quality Fund, Inc. (MCA)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>		
<b>California (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
County of Los Angeles California Metropolitan Transportation Authority, Refunding RB, Proposition A, 1st Tier, Senior Series A (AMBAC), 5.00%, 7/01/35	\$ 6,828	\$ 7,126,688
County of Los Angeles California Sanitation Districts Financing Authority, Refunding RB, Capital Project 14 (BHAC), 5.00%, 10/01/34	4,998	5,233,465
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	12,150	12,807,679
Los Angeles Community College District California, GO:		
Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	26,438	28,326,749
Election of 2001, Series A (AGM), 5.00%, 8/01/32	12,000	12,857,520
Election of 2003, Series E (AGM), 5.00%, 8/01/31	7,497	7,986,913
Election of 2003, Series F-1, 5.00%, 8/01/33	12,000	12,870,720
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33	9,596	11,114,842
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,402,000
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30	10,000	10,652,700
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	7,550	8,042,789
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC):		
5.00%, 7/01/30	19,630	20,480,764
5.00%, 7/01/34	10,497	10,952,062
		162,127,459
<b>Education 11.6%</b>		
California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/35	20,000	21,014,800
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	11,852,390
University of California, RB:		
Limited Project, Series D (AGM), 5.00%, 5/15/41	8,000	8,353,760
Series L, 5.00%, 5/15/40	7,398	7,834,650
Series O, 5.75%, 5/15/34	11,190	12,727,245
		61,782,845
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>		
<b>California (concluded)</b>		
<b>Utilities 22.8%</b>		
City & County of San Francisco California Public Utilities Commission, RB, Water System Improvement Project, Sub-Series A, 5.00%, 11/01/37	\$ 22,997	\$ 24,514,768
City of Napa California Water System, RB, (AMBAC), 5.00%, 5/01/35	9,070	9,385,273
County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/33	8,510	9,179,312
East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35	15,000	15,643,350
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37	7,990	8,749,849
Los Angeles Department of Water & Power, RB, Power System:		
Sub-Series A-1 (AGM), 5.00%, 7/01/37	13,525	14,375,422
Sub-Series A-1 (AMBAC), 5.00%, 7/01/37	5,029	5,368,124
Sub-Series A-2 (AGM), 5.00%, 7/01/35	7,500	7,993,350
Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37	15,000	16,254,000
Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34	9,277	9,893,779

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		121,357,227
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts</b>	<b>64.8%</b>	345,267,531
<b>Total Long-Term Investments</b>		854,745,761
<b>(Cost \$816,040,306)</b>	<b>160.4%</b>	
<b>Short-Term Securities</b>		
	<b>Shares</b>	
BIF California Municipal Money Fund, 0.00% (d)(e)	10,447,577	10,447,577
<b>Total Short-Term Securities</b>		10,447,577
<b>(Cost \$10,447,577)</b>	<b>2.0%</b>	865,193,338
<b>Total Investments (Cost \$826,487,883)</b>	<b>162.4%</b>	(966,521)
<b>Liabilities in Excess of Other Assets</b>	<b>(0.2)%</b>	
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b>		(164,923,886)
<b>(30.9%)</b>		(166,500,000)
<b>VRDP Shares, at Liquidation Value</b>	<b>(31.3%)</b>	
<b>Net Assets Applicable to Common Shares</b>	<b>100.0%</b>	\$ 532,802,931

Notes to Schedule of investments

(a) Variable rate security. Rate shown is as of report date.

(b) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Piper Jaffray	\$ 5,151,584	\$ 12,341

(c) Represent bonds transferred to a TOB. In exchange for which the Fund acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(d) Represents the current yield as of report date.

See Notes to Financial Statements.

**Table of Contents****Schedule of Investments (concluded)****BlackRock MuniYield California Quality Fund, Inc. (MCA)**

(e) Investments in issuers considered to be an affiliate of the Fund during the six months ended January 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

<b>Affiliate</b>	<b>Shares Held at July 31, 2013</b>	<b>Net Activity</b>	<b>Shares Held at January 31, 2014</b>	<b>Income</b>
BIF California Municipal Money Fund	2,379,292	8,068,285	10,447,577	\$ 274

For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment advisor. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

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

<b>Contracts Sold</b>	<b>Issue</b>	<b>Exchange</b>	<b>Expiration</b>	<b>Notional Value</b>	<b>Unrealized Depreciation</b>
(320)	10-Year US Treasury Note	Chicago Board of Trade	March 2014	\$ 40,240,000	\$ (442,900)

**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 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.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund'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 Fund'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 Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of January 31, 2014:

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	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 854,745,761		\$ 854,745,761
Short-Term Securities	\$ 10,447,577			10,447,577
<b>Total</b>	\$ 10,447,577	\$ 854,745,761		\$ 865,193,338

<sup>1</sup> See above Schedule of Investments for values in each sector.

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (442,900)			\$ (442,900)

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument. The carrying amount for certain of the Fund's assets and/or liabilities approximates fair value for financial statement purposes. As of January 31, 2014, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 514,000			\$ 514,000
<b>Liabilities:</b>				
TOB trust certificates		\$ (164,894,585)		(164,894,585)
VRDP Shares		(166,500,000)		(166,500,000)
<b>Total</b>	\$ 514,000	\$ (331,394,585)		\$ (330,880,585)

There were no transfers between levels during the six months ended January 31, 2014.

See Notes to Financial Statements.

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## Schedule of Investments January 31, 2014 (Unaudited)

## BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan 141.2%</b>		
<b>Corporate 2.9%</b>		
County of Monroe EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22	\$ 3,805	\$ 4,804,650
<b>County/City/Special District/School District 36.3%</b>		
Adrian City School District, GO (AGM), 5.00%, 5/01/14 (a)	2,400	2,429,040
Anchor Bay School District, GO, Refunding (Q-SBLF):		
4.13%, 5/01/25	1,475	1,547,039
4.25%, 5/01/26	1,145	1,200,040
4.38%, 5/01/27	640	669,158
4.50%, 5/01/29	605	629,642
Bay City School District Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/36	200	207,928
Charter Township of Canton Michigan, GO, Capital Improvement (AGM):		
5.00%, 4/01/25	1,250	1,372,100
5.00%, 4/01/26	1,250	1,377,050
5.00%, 4/01/27	500	537,780
Chippewa Valley Schools, GO, Refunding, Unlimited Tax (Q-SBLF), 5.00%, 5/01/32	1,220	1,308,596
City of Jackson Mississippi, GO, CAB, Downtown Development (AGM), 0.00%, 6/01/26 (b)	1,900	1,121,703
City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30	600	628,656
Comstock Park Public Schools, GO, School Building & Site, Series B (Q-SBLF):		
5.50%, 5/01/36	450	483,008
5.50%, 5/01/41	830	881,327
County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19	400	413,960
County of St Clair, GO, Limited Tax, Refunding, 5.00%, 4/01/28	765	817,808
Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 5/01/39	2,000	2,106,780
Dearborn School District, GO, Series A (Q-SBLF) (c):		
5.00%, 5/01/32	570	603,328
5.00%, 5/01/33	610	642,684
5.00%, 5/01/34	455	477,900
Eaton Rapids Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.25%, 5/01/14 (a)	2,000	2,025,440
Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%, 10/01/41	1,880	1,902,334
Fraser Public School District Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/25	1,255	1,305,351
Gibraltar School District Michigan, GO, School Building & Site Improvement (NPFGC) (Q-SBLF) (a):		
5.00%, 5/01/14	3,065	3,102,086
5.00%, 5/01/14	585	592,079
Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF):		
5.50%, 5/01/32	400	433,744
5.50%, 5/01/36	800	858,680
5.50%, 5/01/41	1,000	1,061,840
Harper Creek Community School District Michigan, GO, Refunding, (AGM) (Q-SBLF), 5.00%, 5/01/22	1,000	1,040,120
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Michigan (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	\$ 2,650	\$ 2,773,278
Jonesville Community Schools Michigan, GO, Refunding, (NPFGC) (Q-SBLF), 5.00%, 5/01/29	1,085	1,124,461

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L Anse Creuse Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF):		
5.00%, 5/01/25	1,000	1,040,120
5.00%, 5/01/26	1,050	1,092,126
5.00%, 5/01/35	2,000	2,065,780
Lincoln Consolidated School District Michigan, GO, Refunding, (NPFGC) (Q-SBLF),		
4.63%, 5/01/28	2,325	2,360,340
Livonia Public Schools School District Michigan, GO, Refunding, Series A (NPFGC),		
5.00%, 5/01/14 (a)	500	506,050
Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 5/01/43		
5.00%, 5/01/35	1,910	1,949,575
New Lothrop Area Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF),		
5.00%, 5/01/35	1,200	1,251,264
Parchment School District, County of Kalamazoo, State of Michigan, GO, School Building & Site (NPFGC) (Q-SBLF), 5.00%, 5/01/25		
	590	640,014
Plymouth-Canton Community School District, GO, School Building & Site, Series A,		
4.00%, 5/01/32	300	300,327
Reed City Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF),		
5.00%, 5/01/14 (a)	1,000	1,012,120
Romulus Community Schools, GO, Unlimited Tax, Refunding (AGM) (Q-SBLF):		
4.13%, 5/01/25	715	750,543
4.25%, 5/01/26	740	777,666
4.25%, 5/01/27	725	755,124
4.50%, 5/01/29	630	658,224
Southfield Public Schools Michigan, GO, School Building & Site, Series B (AGM) (Q-SBLF),		
5.00%, 5/01/14 (a)	1,000	1,012,100
Sparta Area Schools Michigan, GO, School Building & Site (NPFGC) (Q-SBLF),		
5.00%, 5/01/14 (a)	1,000	1,012,020
Thornapple Kellogg School District Michigan, GO, Refunding, School Building & Site (NPFGC) (Q-SBLF), 5.00%, 5/01/32		
	1,500	1,573,455
Troy School District, GO (Q-SBLF),		
5.00%, 5/01/28	760	842,179
Van Dyke Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF),		
5.00%, 5/01/28	750	807,113
Walled Lake Consolidated School District, GO (Q-SBLF):		
5.00%, 5/01/37	1,080	1,135,231
5.00%, 5/01/40	1,000	1,041,450
Zeeland Public Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/14 (a)		
	1,230	1,244,883
		59,502,644
<b>Education 16.7%</b>		
City of Grand Rapids Michigan, EDC, RB, Ferris State University Project, Series A,		
5.50%, 10/01/35	760	793,957
Ferris State University, Refunding RB, General (AGM):		
4.50%, 10/01/24	1,595	1,668,992
4.50%, 10/01/25	1,405	1,458,053

See Notes to Financial Statements.



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## Schedule of Investments (continued)

## BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan (continued)</b>		
<b>Education (concluded)</b>		
Michigan Higher Education Facilities Authority, RB, Limited Obligation, Hillsdale College Project, 5.00%, 3/01/35	\$ 1,030	\$ 1,030,206
Michigan State University, Refunding RB, General:		
Series A, 5.00%, 8/15/41	3,035	3,211,941
Series C, 5.00%, 2/15/40	3,770	3,902,892
Series C, 5.00%, 2/15/44	1,000	1,029,360
Michigan Technological University, Refunding RB, Series A, 5.00%, 10/01/34	1,000	1,039,290
Oakland University, RB, General, Series A:		
5.00%, 3/01/38	1,820	1,885,793
5.00%, 3/01/43	2,980	3,056,437
Saginaw Valley State University Michigan, Refunding RB, General (NPFGC):		
5.00%, 7/01/14 (a)	1,285	1,310,841
5.00%, 7/01/24	165	167,892
Wayne State University, RB, Series A:		
5.00%, 11/15/40	1,000	1,035,960
4.00%, 11/15/44	380	323,870
Western Michigan University, Refunding RB, General University and College Improvements:		
5.25%, 11/15/40	1,400	1,478,610
5.25%, 11/15/43	2,745	2,829,546
(AGM), 5.25%, 11/15/33	380	404,195
(AGM), 5.00%, 11/15/39	665	686,260
		27,314,095
<b>Health 26.2%</b>		
Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36	2,750	2,835,855
Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A, 5.00%, 11/15/29	3,000	3,174,960
Michigan Finance Authority, RB, Sparrow Obligated Group, 5.00%, 11/15/36	950	958,673
Michigan Finance Authority, Refunding RB:		
Hospital, Oakwood Obligated Group, 5.00%, 8/15/31	1,065	1,085,214
Trinity Health Credit Group, 5.00%, 12/01/31	1,900	1,982,403
Trinity Health Credit Group, 5.00%, 12/01/35	2,400	2,463,984
Trinity Health Credit Group, 5.00%, 12/01/39	1,650	1,679,848
Michigan State Hospital Finance Authority, RB:		
Ascension Health Senior Credit Group, 5.00%, 11/15/25	2,300	2,528,321
McLaren Health Care, Series C, 5.00%, 8/01/35	1,585	1,596,143
MidMichigan Obligated Group, Series A, 5.00%, 4/15/26	380	386,570
Trinity Health Credit, 5.00%, 12/01/16 (a)	145	162,990
Trinity Health Credit, Series A, 5.00%, 12/01/26	855	923,374
Michigan State Hospital Finance Authority, Refunding RB:		
Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/21	400	434,552
Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/25	2,470	2,541,655
Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/37	3,340	3,317,121
Hospital, Sparrow Obligated Group, 5.00%, 11/15/31	1,595	1,606,372
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Michigan (continued)</b>		
<b>Health (concluded)</b>		
Michigan State Hospital Finance Authority, Refunding RB (concluded):		
McLaren Health Care, Series A, 5.00%, 6/01/35	\$ 860	\$ 884,132
McLaren Health Care, Series A, 5.75%, 5/15/38	1,500	1,649,025

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Trinity Health Credit Group, Series A, 6.13%, 12/01/23	940	1,080,333
Trinity Health Credit Group, Series A, 6.25%, 12/01/28	570	654,497
Trinity Health Credit Group, Series C, 4.00%, 12/01/32	3,040	2,837,475
Trinity Health Credit, Series A, 6.50%, 12/01/33	1,400	1,608,278
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital:		
Series V, 8.25%, 9/01/39	1,000	1,214,920
Series W, 6.00%, 8/01/39	575	610,288
State of Michigan Hospital Finance Authority, Refunding RB, Henry Ford Health, 5.75%, 11/15/39	1,200	1,236,144
Sturgis Building Authority, RB, Sturgis Hospital Project (NPFGC), 4.75%, 10/01/34	3,525	3,526,375
		42,979,502
<b>Housing 6.6%</b>		
Michigan State HDA, RB:		
Deaconess Tower, AMT (Ginnie Mae), 5.25%, 2/20/48	1,000	1,010,320
Series A, 4.75%, 12/01/25	2,605	2,720,375
Michigan State HDA, Refunding RB:		
Rental Housing, Series D, 4.50%, 10/01/48	5,880	5,411,893
Series A, 6.05%, 10/01/41	1,625	1,696,273
		10,838,861
<b>State 14.1%</b>		
Michigan State Building Authority, Refunding RB, Facilities Program:		
Series I, 6.25%, 10/15/38	2,350	2,678,365
Series I (AGC), 5.25%, 10/15/24	2,000	2,249,760
Series I (AGC), 5.25%, 10/15/25	1,500	1,653,525
Series I (AGC), 5.25%, 10/15/26	400	437,136
Series I-A, 5.38%, 10/15/41	2,175	2,326,837
Series I-A, 5.50%, 10/15/45	750	795,818
Series II (AGM), 5.00%, 10/15/26	3,000	3,186,870
Michigan State Finance Authority, RB, Local Government Loan Program, Series F, 5.25%, 10/01/41	2,510	2,573,478
Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%, 10/15/31	2,650	2,781,546
State of Michigan Trunk Line Fund, RB:		
5.00%, 11/15/29	750	817,005
5.00%, 11/15/33	1,150	1,223,083
5.00%, 11/15/36	2,220	2,353,466
		23,076,889
<b>Transportation 14.6%</b>		
State of Michigan, RB, GAB (AGM), 5.25%, 9/15/27	3,250	3,601,715
Wayne County Airport Authority, RB, Detroit Metropolitan Wayne County Airport, AMT (NPFGC):		
5.25%, 12/01/25	4,475	4,724,660
5.25%, 12/01/26	3,700	3,906,423
5.00%, 12/01/34	3,550	3,531,576

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan (concluded)</b>		
<b>Transportation (concluded)</b>		
Wayne County Airport Authority, Refunding RB, AMT (AGC):		
5.75%, 12/01/26	\$ 3,060	\$ 3,453,485
5.38%, 12/01/32	4,300	4,631,788
		23,849,647
<b>Utilities 23.9%</b>		
City of Detroit Michigan, RB, Water Supply System, 2nd Lien, Series B (AGM),		
7.00%, 7/01/36	2,000	2,099,860
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A,		
5.25%, 7/01/39	1,010	932,038
City of Detroit Michigan Water Supply System, RB, Senior Lien, Series A (NPFGC),		
5.00%, 7/01/34	4,000	3,664,520
City of Detroit Michigan Water Supply System, Refunding RB, Second Lien, Series C (AGM),		
5.00%, 7/01/29	6,275	5,982,773
City of Grand Rapids Michigan, Refunding RB, Series A (NPFGC), 5.50%, 1/01/22		
	1,500	1,815,225
City of Grand Rapids Michigan Sanitary Sewer System, RB:		
5.00%, 1/01/37	570	612,818
4.00%, 1/01/42	1,050	982,832
(NPFGC), 5.00%, 7/01/14 (a)	6,900	7,038,759
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A:		
5.00%, 7/01/27	1,210	1,330,117
5.00%, 7/01/31	2,600	2,806,908
5.00%, 7/01/37	1,270	1,351,610
5.50%, 7/01/41	2,000	2,178,760
City of Port Huron Michigan, RB, Water Supply System:		
5.25%, 10/01/31	190	198,765
5.63%, 10/01/40	500	526,160
City of Wyoming Michigan, RB, Sewer System (NPFGC), 5.00%, 6/01/30		
	5,300	5,487,302
County of Genesee Michigan, GO, Water Supply System (NPFGC), 5.13%, 11/01/33		
	500	500,200
Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund:		
5.00%, 10/01/27	750	808,118
Pooled Project, 5.00%, 10/01/27	760	868,710
		39,185,475
<b>Total Municipal Bonds in Michigan</b>		<b>231,551,763</b>
<b>Guam 2.1%</b>		
<b>State 2.1%</b>		
Territory of Guam, RB:		
Business Privilege Tax Bonds, Series A, 5.25%, 1/01/36	310	320,943
Business Privilege Tax Bonds, Series A, 5.13%, 1/01/42	1,800	1,841,652
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Guam (concluded)</b>		
<b>State (concluded)</b>		
Territory of Guam, RB (concluded):		
Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/37	\$ 405	\$ 413,477
Section 30, Series A, 5.63%, 12/01/29	850	893,188
<b>Total Municipal Bonds in Guam</b>		<b>3,469,260</b>
<b>Total Municipal Bonds 143.3%</b>		<b>235,021,023</b>

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### Municipal Bonds Transferred to Tender Option Bond Trusts (d)

#### Michigan 15.9%

#### County/City/Special District/School District 4.4%

Lakewood Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/37	3,970	4,293,436
Portage Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/31	2,850	2,991,474
		7,284,910

#### Education 11.5%

Michigan State University, Refunding RB, General, Series A, 5.00%, 8/15/38	3,780	4,037,040
Saginaw Valley State University, Refunding RB, General (AGM), 5.00%, 7/01/31	2,500	2,649,725
Wayne State University, RB, General, Series A, 5.00%, 11/15/40	3,810	3,947,007
Wayne State University, Refunding RB, General (AGM), 5.00%, 11/15/35	7,793	8,196,516

18,830,288

#### Total Municipal Bonds Transferred to

**Tender Option Bond Trusts 15.9%** 26,115,198

#### Total Long-Term Investments

**(Cost \$253,931,673) 159.2%** 261,136,221

#### Short-Term Securities

#### Shares

BIF Michigan Municipal Money Fund, 0.00% (e)(f)	3,179,143	3,179,143
--	-----------	-----------

#### Total Short-Term Securities

**(Cost \$3,179,143) 1.9%** 3,179,143

**Total Investments (Cost \$257,110,816) 161.1%** 264,315,364

**Other Assets Less Liabilities 0.3%** 550,615

#### Liability for TOB Trust Certificates, Including Interest

**Expense and Fees Payable (8.2%)** (13,495,420)

**VRDP Shares, at Liquidation Value (53.2%)** (87,300,000)

**Net Assets Applicable to Common Shares 100.0%** \$ 164,070,559

### Notes to Schedule of Investments

(a) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(b) Zero-coupon bond.

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)

(c) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Stifel Nicolaus	\$ 1,723,912	\$ 19,460

(d) Represent bonds transferred to a TOB. In exchange for which the Fund acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(e) Investments in issuers considered to be an affiliate of the Fund during the six months ended January 31, 2014, for purposes of Section 2(a)(3) of 1940 Act, were as follows:

Affiliate	Shares Held at July 31, 2013	Net Activity	Shares Held at January 31, 2014	Income
BIF Michigan Municipal Money Fund	639,757	2,539,386	3,179,143	

(f) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment advisor. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

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

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(30)	10-Year US Treasury Note	Chicago Board of Trade	March 2014	\$ 3,772,500	\$ (26,290)

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 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)

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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.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund'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 Fund'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 Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of January 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 261,136,221		\$ 261,136,221
Short-Term Securities	\$ 3,179,143			3,179,143
<b>Total</b>	<b>\$ 3,179,143</b>	<b>\$ 261,136,221</b>		<b>\$ 264,315,364</b>

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (26,290)			\$ (26,290)

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)

The carrying amount for certain of the Fund's assets and/or liabilities approximates fair value for financial statement purposes. As of January 31, 2014, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 54,000			\$ 54,000
<b>Liabilities:</b>				
TOB trust certificates		\$ (13,492,998)		(13,492,998)
VRDP Shares		(87,300,000)		(87,300,000)
<b>Total</b>	\$54,000	\$ (100,792,998)		\$ (100,738,998)

There were no transfers between levels during the six months ended January 31, 2014.

See Notes to Financial Statements.

**Table of Contents****Schedule of Investments** January 31, 2014 (Unaudited)**BlackRock MuniYield New York Quality Fund, Inc. (MYN)**

(Percentages shown are based on Net Assets)

	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>New York 131.3%</b>		
<b>Corporate 2.9%</b>		
City of New York New York Industrial Development Agency, Refunding RB, AMT:		
Terminal One Group Association Project, 5.50%, 1/01/24 (a)	\$ 1,500	\$ 1,605,839
Transportation Infrastructure Properties LLC, Series A, 5.00%, 7/01/28	930	897,534
County of Suffolk New York Industrial Development Agency, RB, KeySpan Generation LLC, Port Jefferson, AMT, 5.25%, 6/01/27	4,000	4,022,400
New York Liberty Development Corp., RB, Goldman Sachs Headquarters, 5.25%, 10/01/35	4,000	4,274,120
New York State Energy Research & Development Authority, Refunding RB, Brooklyn Union Gas/Keyspan, Series A, AMT (NPFGC), 4.70%, 2/01/24	4,750	4,953,395
		15,753,288
<b>County/City/Special District/School District 40.7%</b>		
Buffalo & County of Erie New York Industrial Land Development Corp., Refunding RB, Buffalo State College Foundation Housing Corp. Project, Series A, 5.38%, 10/01/41	1,040	1,097,762
City of New York New York, GO, Refunding:		
Fiscal 2012, Series I, 5.00%, 8/01/32	490	527,211
Fiscal 2014, Series E, 5.00%, 8/01/32	2,040	2,209,993
Series E, 5.50%, 8/01/25	6,230	7,357,132
Series E, 5.00%, 8/01/27	1,070	1,203,921
City of New York New York, GO:		
Fiscal 2012, Sub-Series D-1, 5.00%, 10/01/33	8,350	8,879,223
Series A-1, 5.00%, 8/01/35	1,950	2,061,033
Sub-Series A-1, 5.00%, 8/01/33	2,100	2,259,474
Sub-Series A-1, 5.00%, 10/01/34	1,845	1,966,383
Sub-Series D-1, 5.00%, 8/01/31	1,300	1,416,935
City of New York New York Convention Center Development Corp., RB, Hotel Unit Fee Secured (AMBAC):		
5.00%, 11/15/30	1,500	1,567,110
5.00%, 11/15/35	31,600	31,953,288
5.00%, 11/15/44	12,420	12,497,128
City of New York New York Housing Development Corp., RB, Fund Grant Program, New York City Housing Authority Program, Series B1:		
5.25%, 7/01/32	6,865	7,481,958
5.00%, 7/01/33	1,675	1,767,611
City of New York New York Industrial Development Agency, RB, PILOT:		
CAB, Yankee Stadium Project, Series A (AGC), 0.00%, 3/01/39 (b)	5,000	1,299,750
CAB, Yankee Stadium Project, Series A (AGC), 0.00%, 3/01/43 (b)	4,330	860,371
Queens Baseball Stadium (AMBAC), 5.00%, 1/01/39	1,750	1,572,970
Queens Baseball Stadium (AGC), 6.38%, 1/01/39	1,000	1,099,280
Queens Baseball Stadium (AMBAC), 5.00%, 1/01/36	6,910	6,324,792
Yankee Stadium Project (NPFGC), 5.00%, 3/01/36	2,250	2,274,323
Yankee Stadium Project (NPFGC), 5.00%, 3/01/46	9,650	9,633,016
City of New York New York Transitional Finance Authority Future Tax Secured, RB: (NPFGC), 5.00%, 2/01/14 (c)	2,375	2,375,000
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
City of New York New York Transitional Finance Authority Future Tax Secured, RB (concluded):		
(NPFGC), 5.25%, 2/01/22	\$ 55	\$ 55,272
(NPFGC), 5.00%, 11/15/26	260	260,965
(NPFGC), 5.00%, 2/01/33	10,020	10,053,868



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Sub-Series A1, 5.00%, 11/01/38	1,000	1,072,500
Sub-Series B1, 5.00%, 11/01/35 (d)	2,510	2,719,208
Sub-Series B1, 5.00%, 11/01/36 (d)	1,690	1,826,434
County of Erie New York Industrial Development Agency, RB, City School District of Buffalo Project, Series A:		
5.25%, 5/01/31	2,305	2,508,831
5.25%, 5/01/32	1,000	1,083,170
Hudson Yards Infrastructure Corp., RB, Series A:		
(AGC), 5.00%, 2/15/47	4,300	4,362,092
(NPFGC), 5.00%, 2/15/47	4,665	4,706,005
(AGC), 5.00%, 2/15/47	550	557,942
(AGM), 5.00%, 2/15/47	4,580	4,646,135
(NPFGC), 4.50%, 2/15/47	17,325	17,115,367
New York Liberty Development Corp., Refunding RB, Liberty:		
4 World Trade Center Project, 5.00%, 11/15/31	2,570	2,736,844
4 World Trade Center Project, 5.00%, 11/15/44	2,000	2,045,160
4 World Trade Center Project, 5.75%, 11/15/51	3,460	3,731,818
7 World Trade Center Project, Class 1, 4.00%, 9/15/35	1,090	1,095,221
7 World Trade Center Project, Class 2, 5.00%, 9/15/43	4,725	4,819,547
North Country Development Authority, Refunding RB (AGM), 6.00%, 5/15/15	400	413,512
Sales Tax Asset Receivable Corp., Refunding RB, Series A (AMBAC):		
5.25%, 10/15/27	9,500	9,805,140
5.00%, 10/15/32	27,200	27,937,664
Syracuse New York Industrial Development Agency, RB, PILOT, Carousel Center Project, Series A, AMT (Syncora), 5.00%, 1/01/36	3,400	3,305,038
Town of North Hempstead New York, GO, Refunding, Series B (NPFGC), 6.40%, 4/01/17	555	651,897
		217,195,294
<b>Education 22.4%</b>		
Amherst Development Corp., Refunding RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM), 4.63%, 10/01/40	2,000	2,033,160
City of New York New York Trust for Cultural Resources, Refunding RB:		
American Museum of Natural History, Series A (NPFGC), 5.00%, 7/01/36	4,750	4,819,065
American Museum of Natural History, Series A (NPFGC), 5.00%, 7/01/44	500	505,465
Carnegie Hall, Series A, 4.75%, 12/01/39	3,550	3,607,616
Carnegie Hall, Series A, 5.00%, 12/01/39	2,150	2,220,068
Museum of Modern Art, Series 1A, 5.00%, 4/01/31	1,000	1,098,910
Wildlife Conservation Society, Series A, 5.00%, 8/01/33	2,000	2,148,600
Wildlife Conservation Society, Series A, 5.00%, 8/01/42	750	784,043

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniYield New York Quality Fund, Inc. (MYN)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>Education (continued)</b>		
City of Troy New York Capital Resource Corp., Refunding RB, Rensselaer Polytechnic Institute Project, Series A, 5.13%, 9/01/40	\$ 6,945	\$ 7,149,808
County of Dutchess New York Local Development Corp., RB, Vassar College, Series A, 5.00%, 1/01/49	1,000	1,031,350
County of Madison New York Industrial Development Agency, RB, Colgate University Project Series A (AMBAC):		
5.00%, 7/01/35	2,675	2,725,450
5.00%, 7/01/30	5,410	5,537,622
County of Monroe New York Industrial Development Corp., RB, University of Rochester Project, Series B, 4.50%, 7/01/35	3,885	3,933,757
County of Monroe New York Industrial Development Corp., Refunding RB, University of Rochester Project, Series A, 5.00%, 7/01/38	1,440	1,521,893
County of Onondaga New York, RB, Syracuse University Project:		
5.00%, 12/01/30	1,190	1,290,103
5.00%, 12/01/36	1,150	1,226,624
County of Rensselaer New York Industrial Development Agency, RB, Polytechnic Institute, Series B (AMBAC), 5.50%, 8/01/22	1,255	1,260,033
County of Schenectady New York Capital Resource Corp., Refunding RB, Union College, 5.00%, 7/01/32	1,120	1,204,302
County of St. Lawrence New York Industrial Development Agency, RB, Clarkson University Project, 5.38%, 9/01/41	500	522,275
County of Tompkins New York Development Corp., RB, Ithaca College Project (AGM):		
5.50%, 7/01/33	500	542,080
5.25%, 7/01/36	860	912,099
County of Tompkins New York Industrial Development Agency, RB, Civic Facility Cornell University Project, Series A, 5.00%, 7/01/37	675	725,490
State of New York Dormitory Authority, LRB, State University Dormitory Facilities, Series A, 5.00%, 7/01/35	800	849,968
State of New York Dormitory Authority, RB:		
Convent of the Sacred Heart (AGM), 5.75%, 11/01/40	2,075	2,260,546
Fordham University, Series A, 5.00%, 7/01/28	325	355,482
Fordham University, Series A, 5.50%, 7/01/36	1,550	1,678,247
General Purpose, Series A, 5.00%, 2/15/36	5,500	5,900,730
Mount Sinai School of Medicine, 5.13%, 7/01/39	665	686,047
New York University, Series I (AMBAC), 5.50%, 7/01/40	4,580	5,321,456
New York University, Series B, 5.00%, 7/01/34	1,000	1,103,100
New York University, Series B, 5.00%, 7/01/37	600	639,852
New York University, Series B, 5.00%, 7/01/42	3,240	3,410,327
New York University, Series C, 5.00%, 7/01/38	2,000	2,144,080
State University Dormitory Facilities, Series A, 5.00%, 7/01/40	2,035	2,135,000
	<b>Par</b>	
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>

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<b>New York (continued)</b>		
<b>Education (concluded)</b>		
State of New York Dormitory Authority, RB (concluded):		
State University Dormitory Facilities, Series A, 5.00%, 7/01/41	\$ 1,500	\$ 1,571,850
The New School (AGM), 5.50%, 7/01/43	4,050	4,312,845
State of New York Dormitory Authority, Refunding RB:		
3rd General Resolution, State University Educational Facilities Issue, Series A, 5.00%, 5/15/29		
Cornell University, Series A, 5.00%, 7/01/40	1,000	1,096,510
New York University Mount Sinai School of Medicine (NPFGC), 5.00%, 7/01/35	1,000	1,080,020
New York University, Series A, 5.00%, 7/01/31	7,100	7,290,138
New York University, Series A, 5.00%, 7/01/37	3,955	4,323,804
Rochester Institute of Technology, 4.00%, 7/01/32	4,775	5,092,155
Rochester Institute of Technology, 5.00%, 7/01/38	2,355	2,363,290
Rochester Institute of Technology, 5.00%, 7/01/42	500	522,325
Rockefeller University, Series B, 4.00%, 7/01/38	750	778,133
St. John's University, Series A, 5.00%, 7/01/27	1,370	1,378,741
State University Dormitory Facilities, Series A, 5.25%, 7/01/30	430	465,896
State University Dormitory Facilities, Series A, 5.25%, 7/01/31	4,195	4,669,077
State University Dormitory Facilities, Series A, 5.00%, 7/01/42	8,735	9,634,880
State University Dormitory Facilities, Series A, 5.00%, 7/01/42	1,490	1,568,329
		119,432,641
<b>Health 10.0%</b>		
City of New York New York Health & Hospital Corp., Refunding RB, Health System, Series A, 5.00%, 2/15/30		
	2,200	2,320,582
County of Dutchess New York Industrial Development Agency, RB, Vassar Brothers Medical Center (AGC):		
5.50%, 4/01/30	250	268,110
5.50%, 4/01/34	490	519,077
County of Monroe New York Industrial Development Corp., RB, Rochester General Hospital Project, Series A:		
5.00%, 12/01/32	830	855,647
5.00%, 12/01/37	350	357,752
County of Monroe New York Industrial Development Corp., Refunding RB:		
Rochester General Hospital Project, Series B, 3.60%, 12/01/32	720	599,918
Unity Hospital of Rochester Project (FHA), 5.50%, 8/15/40	5,650	6,221,780
State of New York Dormitory Authority, RB:		
Healthcare, Series A, 5.00%, 3/15/38		
Hudson Valley Hospital (BHAC), 5.00%, 8/15/36	2,000	2,110,680
Montefiore Hospital (NPFGC, FHA), 5.00%, 8/01/33	6,500	6,815,510
New York & Presbyterian Hospital (AGM), 5.00%, 8/15/14 (c)	1,500	1,504,635
	4,925	5,053,198

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniYield New York Quality Fund, Inc. (MYN)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>Health (concluded)</b>		
State of New York Dormitory Authority, RB (concluded):		
New York University Hospitals Center, Series A, 5.75%, 7/01/31	\$ 3,450	\$ 3,741,870
New York University Hospitals Center, Series A, 6.00%, 7/01/40	1,100	1,194,215
North Shore-Long Island Jewish Obligated Group, Series A, 5.50%, 5/01/37	2,075	2,186,780
North Shore-Long Island Jewish Obligated Group, Series C, 4.25%, 5/01/39	1,000	963,910
North Shore-Long Island Jewish Obligated Group, Series D, 4.25%, 5/01/39	300	289,173
State of New York Dormitory Authority, Refunding RB:		
New York University Hospital Center, Series A, 5.00%, 7/01/36	1,500	1,527,255
North Shore-Long Island Jewish Obligated Group, Series A, 5.00%, 5/01/32	4,000	4,164,960
North Shore-Long Island Jewish Obligated Group, Series A, 5.25%, 5/01/34	9,220	9,730,604
St. Luke's Roosevelt Hospital (FHA), 4.90%, 8/15/31	2,900	3,014,724
		53,440,380
<b>Housing 5.6%</b>		
City of New York New York Housing Development Corp., RB, M/F Housing, AMT:		
Series A-1-A, 5.00%, 11/01/30	750	757,658
Series A-1-A, 5.45%, 11/01/46	1,335	1,337,910
Series C, 5.00%, 11/01/26	1,500	1,521,840
Series C, 5.05%, 11/01/36	2,000	2,019,180
Series H-1, 4.70%, 11/01/40	1,340	1,325,809
Series H-2-A, 5.20%, 11/01/35	840	846,880
Series H-2-A, 5.35%, 5/01/41	600	612,252
City of New York New York Housing Development Corp., Refunding RB, M/F Housing,		
Series L-2-A, 4.00%, 5/01/44	3,250	2,913,462
City of Yonkers New York Industrial Development Agency, RB, Monastery Manor Associates		
LP Project, AMT (SONYMA), 5.25%, 4/01/37	2,445	2,454,144
County of Monroe New York Industrial Development Agency, IDR, Southview Towers		
Project, AMT (SONYMA):		
6.13%, 2/01/20	630	631,783
6.25%, 2/01/31	1,125	1,126,463
State of New York HFA, RB, St. Philip's Housing, Series A, AMT (Fannie Mae),		
4.65%, 11/15/38	1,500	1,486,545
State of New York Mortgage Agency, RB, 49th Series, 4.00%, 10/01/43		
State of New York Mortgage Agency, Refunding RB:		
133rd Series, AMT, 4.95%, 10/01/21	320	325,456
143rd Series, AMT, 4.85%, 10/01/27	1,100	1,112,793
143rd Series, AMT (NPFGC, IBC), 4.85%, 10/01/27	2,485	2,530,078
48th Series, 3.70%, 10/01/38	4,285	3,842,060
		29,887,703
<b>State 11.3%</b>		
City of New York New York Transitional Finance Authority, BARB:		
Fiscal 2008, Series S-1, 4.50%, 1/15/38	1,700	1,717,765
Fiscal 2008, Series S-4 (AGC), 5.50%, 1/15/33	5,500	6,141,080
Fiscal 2009, Series S-1 (AGC), 5.50%, 7/15/38	6,000	6,669,600
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>State (concluded)</b>		
City of New York New York Transitional Finance Authority, BARB (concluded):		
Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/39	\$ 1,500	\$ 1,670,460
Series S-2 (AGM), 5.00%, 1/15/37	5,000	5,310,950

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Series S-2 (NPFGC), 4.25%, 1/15/34	5,000	5,010,950
Metropolitan Transportation Authority, Refunding RB, Dedicated Tax Fund, Sub-Series B-1, 5.00%, 11/15/31	3,465	3,790,190
State of New York Dormitory Authority, ERB, Series C, 5.00%, 12/15/31	6,230	6,695,568
State of New York Dormitory Authority, RB:		
General Purpose, Series B, 5.00%, 3/15/37	1,000	1,068,010
Master BOCES Program Lease (AGC), 5.00%, 8/15/28	1,750	1,878,380
Mental Health Facilities, Series B, 5.25%, 2/15/14 (c)	1,570	1,573,109
School Districts Financing Program, Refunding, Series A (AGM), 5.00%, 10/01/35	550	577,615
School Districts Financing Program, Series C (AGM), 5.00%, 10/01/37	4,050	4,222,165
State of New York Thruway Authority, RB:		
2nd General Highway and Bridge Trust, Series A (AMBAC), 5.00%, 4/01/26	4,380	4,741,569
2nd General Highway and Bridge Trust, Series B, 5.00%, 4/01/27	1,500	1,646,160
Transportation, Series A, 5.00%, 3/15/32	1,130	1,232,751
State of New York Urban Development Corp., RB, Personal Income Tax:		
Series A, 3.50%, 3/15/28	1,500	1,488,390
State Facilities, Series A-1 (NPFGC), 5.00%, 3/15/14 (c)	5,000	5,029,800

60,464,512

**Transportation 26.5%**

Metropolitan Transportation Authority, RB:		
Series A, 5.00%, 11/15/27	1,000	1,085,460
Series A, 5.00%, 11/15/30	2,935	3,148,903
Series C, 6.50%, 11/15/28	3,200	3,757,600
Series C, 4.00%, 11/15/43	635	569,868
Series D, 5.25%, 11/15/41	3,000	3,146,250
Series E, 5.00%, 11/15/38	5,285	5,483,505
Series H, 5.00%, 11/15/25	1,000	1,110,310
Series H, 5.00%, 11/15/31	1,690	1,798,633
Sub-Series B, 5.00%, 11/15/25	3,250	3,608,637
Metropolitan Transportation Authority, Refunding RB:		
Series B, 5.00%, 11/15/34	1,500	1,580,700
Series D, 5.25%, 11/15/29	1,000	1,079,780
Series F, 5.00%, 11/15/30	1,580	1,689,968
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	3,500	3,722,285
Niagara Falls Bridge Commission, Refunding RB, Toll Bridge System, Series A (AGC), 4.00%, 10/01/19	1,900	2,059,657
Niagara Frontier Transportation Authority New York, RB, Buffalo Niagara International Airport, Series B (NPFGC), 5.50%, 4/01/19	2,705	2,721,203
Port Authority of New York & New Jersey, ARB:		
Consolidated, 37th Series, AMT (AGM), 5.13%, 7/15/30	2,500	2,536,700
Consolidated, 163rd Series, 5.00%, 7/15/35	2,500	2,658,500

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniYield New York Quality Fund, Inc. (MYN)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>Transportation (concluded)</b>		
Port Authority of New York & New Jersey, ARB (concluded):		
JFK International Air Terminal, Special Project, Series 6, AMT (NPFGC), 5.75%, 12/01/25	\$ 3,500	\$ 3,516,240
Special Project, JFK International Air Terminal LLC, Series 6, AMT (NPFGC), 5.75%, 12/01/22	8,160	8,210,510
Special Project, JFK International Air Terminal LLC, Series 6, AMT (NPFGC), 6.25%, 12/01/14	7,380	7,522,213
Port Authority of New York & New Jersey, Refunding ARB:		
179th Series, 5.00%, 12/01/38	1,390	1,503,188
Consolidated, 147th Series, AMT, 4.75%, 4/15/37	2,250	2,258,482
Consolidated, 177th Series, AMT, 4.00%, 1/15/43	2,475	2,187,950
Consolidated, 178th Series, AMT, 5.00%, 12/01/43	750	771,728
Port Authority of New York & New Jersey, Refunding RB, AMT:		
5.00%, 12/01/33	1,140	1,202,438
Consolidated, 177th Series, 3.50%, 7/15/35	2,120	1,785,082
State of New York Thruway Authority, Refunding RB:		
General, Series F (AMBAC), 5.00%, 1/01/30	6,000	6,183,120
General, Series G (AGM), 4.75%, 1/01/29	7,250	7,585,312
General, Series G (AGM), 4.75%, 1/01/30	9,000	9,378,450
General, Series G (AGM), 5.00%, 1/01/32	17,030	17,725,505
General, Series I, 5.00%, 1/01/24	1,505	1,706,595
General, Series I, 5.00%, 1/01/37	6,500	6,820,125
General, Series I, 5.00%, 1/01/42	3,250	3,379,057
Series G (AGM), 5.00%, 1/01/30	2,000	2,095,440
Triborough Bridge & Tunnel Authority, RB, 4.00%, 11/15/35	5,575	5,354,955
Triborough Bridge & Tunnel Authority, Refunding RB:		
General, CAB, Series B, 0.00%, 11/15/32 (b)	9,000	3,811,230
General, Series A, 5.00%, 11/15/38	1,000	1,066,560
Series C, 5.00%, 11/15/38	2,000	2,102,220
Sub-Series A, 5.00%, 11/15/28	2,500	2,755,450
Sub-Series A, 5.00%, 11/15/29	875	956,480
		141,636,289
<b>Utilities 11.9%</b>		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Series B, 5.00%, 6/15/36		
	2,000	2,119,600
City of New York New York Municipal Water Finance Authority, Refunding RB:		
Series D (AGM), 5.00%, 6/15/37	9,000	9,360,450
Water & Sewer System, 2nd General Resolution, Fiscal 2010, Series FF, 5.00%, 6/15/31	1,500	1,642,965
Water & Sewer System, 2nd General Resolution, Fiscal 2011, Series BB, 5.00%, 6/15/31	1,000	1,095,310
Water & Sewer System, 2nd General Resolution, Series DD, 5.00%, 6/15/32	6,750	7,140,083
Water & Sewer System, 2nd General Resolution, Series FF, 4.00%, 6/15/45	1,975	1,838,034
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>Utilities (concluded)</b>		
Long Island Power Authority, RB, Electric System Series A:		
(AMBAC), 5.00%, 9/01/14 (c)	\$ 7,000	\$ 7,196,210
General (AGM), 5.00%, 5/01/36	3,775	3,921,168
Long Island Power Authority, Refunding RB:		
Electric System, Series A (AGC), 5.75%, 4/01/39	1,015	1,138,089
General, Electric System, Series A (AGC), 6.00%, 5/01/33	1,500	1,701,960
General, Series B (AGM), 5.00%, 12/01/35	4,000	4,190,480

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State of New York Environmental Facilities Corp., Refunding RB, Revolving Funds New York

City Municipal Water, Series B:

Finance Authority Projects, 2nd General Resolution, 5.00%, 6/15/36	2,100	2,250,843
5.00%, 6/15/33	1,040	1,134,994
State of New York Power Authority, Refunding RB, Series A, 5.00%, 11/15/38	4,920	5,287,081
Utility Debt Securitization Authority, Refunding RB, 5.00%, 12/15/41	12,460	13,425,276

63,442,543

**Total Municipal Bonds in New York**

701,252,650

**Guam 0.3%**

**Utilities 0.3%**

Guam Power Authority, RB, Series A (AGM), 5.00%, 10/01/37	1,380	1,403,377
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**Puerto Rico 0.6%**

**Housing 0.6%**

Puerto Rico Housing Finance Authority, Refunding RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27	3,500	3,503,465
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**Total Municipal Bonds 132.2%**

706,159,492

**Municipal Bonds Transferred to**

**Tender Option Bond Trusts (e)**

**New York 29.8%**

**County/City/Special District/School District 5.9%**

City of New York New York, GO:

Series J, 5.00%, 5/15/23	6,750	6,834,105
Sub-Series C-3 (AGC), 5.75%, 8/15/28 (f)	14,400	16,652,592
City of New York New York Transitional Finance Authority, RB, Future Tax Secured, Fiscal 2012, Sub-Series D-1, 5.00%, 11/01/38	4,125	4,402,984
New York Liberty Development Corp., Refunding RB, Liberty, 7 World Trade Center Project, Class 1, 5.00%, 9/15/40	3,645	3,874,708

31,764,389

**Education 6.4%**

State of New York Dormitory Authority, ERB, Series B, 5.75%, 3/15/36	7,850	8,915,480
State of New York Dormitory Authority, LRB, State University Dormitory Facilities, New York University, Series A:		
5.25%, 7/01/29	6,000	6,516,900
5.00%, 7/01/35	5,198	5,555,839

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniYield New York Quality Fund, Inc. (MYN)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>New York (continued)</b>		
<b>Education (concluded)</b>		
State of New York Dormitory Authority, RB:		
5.00%, 7/01/38	\$ 6,498	\$ 6,966,407
(AMBAC), 5.00%, 7/01/37	5,707	6,134,930
		34,089,556
<b>State 1.3%</b>		
State of New York Dormitory Authority, RB, Mental Health Services Facilities, Series C, AMT (AGM), 5.40%, 2/15/33		
	6,297	6,804,680
<b>Transportation 12.0%</b>		
Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (f)		
	9,739	10,524,089
Metropolitan Transportation Authority, RB, Dedicated Tax, Series A (NPPFGC), 5.00%, 11/15/31		
	3,901	4,175,375
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43		
	18,000	19,143,180
Port Authority of New York & New Jersey, ARB, Consolidated, 169th Series, AMT: 5.00%, 10/15/25		
	7,990	8,776,605
5.00%, 10/15/26		
	6,000	6,539,100
State of New York Thruway Authority, Refunding RB:		
General, Series H (AGM), 5.00%, 1/01/37		
	10,000	10,547,900
Transportation, Personal Income Tax, Series A, 5.00%, 3/15/31		
	3,940	4,277,343
		63,983,592
<b>Utilities 4.2%</b>		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A, 5.75%, 6/15/40		
	4,094	4,572,922
<b>Par</b>		
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>New York (continued)</b>		
<b>Utilities (concluded)</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System 2nd General Resolution:		
Fiscal 2011, Series HH, 5.00%, 6/15/32		
	\$ 9,900	\$ 10,723,383
Fiscal 2012, Series BB, 5.00%, 6/15/44		
	3,991	4,146,236
Series FF-2, 5.50%, 6/15/40		
	2,760	2,971,618
		22,414,159
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 29.8%</b>		
		159,056,376
<b>Total Long-Term Investments</b>		
<b>(Cost \$839,064,296) 162.0%</b>		
		865,215,868
<b>Short-Term Securities</b>		
	<b>Shares</b>	
BIF New York Municipal Money Fund, 0.00% (g)(h)		
	7,219,931	7,219,931
<b>Total Short-Term Securities</b>		
<b>(Cost \$7,219,931) 1.4%</b>		
		7,219,931
<b>Total Investments (Cost \$846,284,227) 163.4%</b>		
		872,435,799
<b>Liabilities in Excess of Other Assets (1.2%)</b>		
		(6,252,683)
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (15.8%)</b>		
		(84,518,259)



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VRDP Shares, at Liquidation Value (46.4%) (247,700,000)

**Net Assets Applicable to Common Shares 100.0%** \$ 533,964,857

Notes to Schedule of investments

- (a) Variable rate security. Rate shown is as of report date.
- (b) Zero-coupon bond.
- (c) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (d) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation/ (Depreciation)
J.P. Morgan Securities LLC	\$ 1,826,434	\$ 13,300
Lebenthal & Co.	\$ 2,719,208	\$ (14,778)

- (e) Represent bonds transferred to a TOB. In exchange for which the Fund acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (f) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire from February 15, 2017 to February 15, 2019 is \$12,782,521.
- (g) Investments in issuers considered to be an affiliate of the Fund during the six months ended January 31, 2014, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows: