

BLACKROCK MUNIYIELD QUALITY FUND III, INC.
Form N-Q
June 22, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

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

Investment Company Act file number 811-06540

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 52nd Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2015

Date of reporting period: 04/30/2015

Item 1 Schedule of Investments

Schedule of Investments April 30, 2015 (Unaudited)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 0.4%		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC), 6.00%, 6/01/39	\$ 3,605	\$ 4,171,093
Alaska 1.7%		
Alaska Housing Finance Corp., RB, General Housing, Series B (NPFGC), 5.25%, 12/01/30	2,000	2,008,660
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	2,690	3,078,275
Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28	10,150	12,047,745
		17,134,680
Arizona 0.4%		
City of Phoenix & County of Maricopa Arizona IDA, Refunding RB, S/F, Series A-2, AMT (Fannie Mae), 5.80%, 7/01/40	190	193,179
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27	3,075	3,445,568
		3,638,747
Arkansas 0.1%		
County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42	1,110	1,234,054
California 14.8%		
Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.40%, 10/01/24	10,000	10,961,000
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 7/01/39	1,550	1,790,777
Sutter Health, Series B, 5.88%, 8/15/31	3,200	3,807,872
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.00%, 7/01/37	2,965	3,325,485
California HFA, RB, S/F Housing, Home Mortgage, Series K, AMT, 5.50%, 2/01/42	795	809,207
	Par	
Municipal Bonds		
California (continued)		
California State University, RB, Systemwide, Series A, 5.50%, 11/01/39	\$ 1,525	\$ 1,760,933
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37	3,545	3,797,652
California Statewide Communities Development Authority, RB:		
Kaiser Permanente, Series A, 5.00%, 4/01/42	4,030	4,453,271
St. Joseph Health System, Series E (AGM), 5.25%, 7/01/47	4,000	4,311,800
Chabot-Las Positas Community College District, GO, CAB, Series C (AMBAC), 0.00%, 8/01/36 (a)	7,790	2,738,497
City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30	1,900	2,091,083
City of San Jose California, Refunding ARB, AMT:		
Series A (AMBAC), 5.50%, 3/01/32	11,965	12,821,694
Series A-1, 5.75%, 3/01/34	2,300	2,630,694
Coast Community College District, GO, Election of 2002, Series C (AGM), 0.00%, 8/01/33 (a)	8,100	3,112,830
County of Orange California Sanitation District, COP, Series B (AGM), 5.00%, 2/01/17 (b)	10,780	11,617,067
County of Sacramento California, ARB, Senior Series A, 5.00%, 7/01/41	10,000	10,973,300
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	1,830	2,219,881
Dublin Unified School District California, GO, CAB, Election of 2004, Series D, 0.00%, 8/01/34 (a)	5,000	1,693,000
Golden State Tobacco Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 6/01/40	4,200	4,648,560
Grossmont Union High School District, GO, CAB, Election of 2004, 0.00%, 8/01/31 (a)	5,110	2,625,314
Long Beach Unified School District, GO, Election of 2008, Series B, 0.00%, 8/01/34 (a)	5,000	2,233,450

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/17 (b)	\$ 1,200	\$ 1,313,640
Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 8/01/43 (c)	3,975	2,692,108
Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (a)	7,620	2,725,979
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	2,500	2,763,250
Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement, Election of 2008, Series B (a):		
0.00%, 8/01/35	7,820	3,363,226
0.00%, 8/01/36	10,000	4,057,200
Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C (a):		
0.00%, 8/01/37	8,000	3,164,400
0.00%, 8/01/38	12,940	4,910,471
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,165	2,280,221
San Diego California Unified School District, GO, CAB, Election of 2008, Series G (a):		
0.00%, 7/01/34	1,860	765,706
0.00%, 7/01/35	1,970	760,518
0.00%, 7/01/36	2,960	1,075,309
0.00%, 7/01/37	1,975	675,371
San Diego California Unified School District, GO, Refunding, CAB, Election of 2008, Series R-1, 0.00%, 7/01/31 (a)	3,485	1,860,328
San Marcos Unified School District, GO, Election of 2010, Series A:		
5.00%, 8/01/34	1,800	2,037,366
5.00%, 8/01/38	1,600	1,791,264
State of California, GO, Refunding, Various Purposes:		
5.00%, 9/01/41	2,700	3,020,949
5.00%, 10/01/41	2,555	2,862,392
State of California, GO, Series 2007-2 (NPFGC), 5.50%, 4/01/30	10	10,042
	Par	
	(000)	Value
Municipal Bonds		
California (concluded)		
State of California Public Works Board, LRB:		
Judicial Council Projects, Series A, 5.00%, 3/01/38	\$ 1,940	\$ 2,149,054
Various Capital Projects, Series I, 5.00%, 11/01/38	5,040	5,623,229
Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 0.00%, 8/01/36 (a)	6,545	2,628,472
West Valley-Mission Community College District, GO:		
5.00%, 8/01/16 (b)	3,025	3,203,082
5.00%, 8/01/30	575	606,343
		150,763,287
Colorado 0.8%		
Regional Transportation District, COP, Series A, 5.00%, 6/01/39	7,120	7,924,631
Florida 11.5%		
City of Lakeland Florida, RB, Regional Health, 5.00%, 11/15/40	4,535	4,899,160
County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 7/01/33	13,100	14,441,309
County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/34	2,250	2,511,247
County of Collier Florida School Board, COP, (AGM), 5.00%, 2/15/16 (b)	5,000	5,188,000
County of Highlands Florida Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37	1,750	2,044,892
County of Lee Florida, Refunding ARB, Series A, AMT:		
5.63%, 10/01/26	2,600	3,021,304
5.38%, 10/01/32	3,440	3,778,806
County of Miami-Dade Florida, GO, Building Better Communities Program:		
Series B, 6.38%, 7/01/28	6,000	6,917,280

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Series B-1, 5.75%, 7/01/33	3,700	4,186,772
County of Miami-Dade Florida, RB: Seaport, 6.00%, 10/01/30	1,820	2,214,467
Transit System Sales Surtax (AGM), 5.00%, 7/01/35	2,800	3,068,884
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series C (BHAC), 6.00%, 10/01/23	20,095	23,154,866

2

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2015

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Florida (concluded)		
County of Miami-Dade Florida, RB, Series B, AMT:		
Seaport, Series A, 6.00%, 10/01/38	\$ 5,695	\$ 6,872,954
Seaport, 6.25%, 10/01/38	1,165	1,431,203
Seaport, 6.00%, 10/01/42	1,865	2,246,169
County of Miami-Dade Florida Aviation, Refunding ARB, AMT:		
5.00%, 10/01/34	530	587,028
Miami International Airport, Series A (AGM), 5.50%, 10/01/41	19,020	21,257,893
County of Palm Beach Florida Solid Waste Authority, Refunding RB, 5.00%, 10/01/31	3,100	3,543,021
County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	5,135	5,729,787
		117,095,042
Georgia 1.1%		
County of Burke Georgia Development Authority, Refunding RB, Oglethorpe Power-Vogtle Project, Series C, 5.70%, 1/01/43		
	6,450	7,009,860
County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A, 5.50%, 8/15/54		
	1,405	1,614,809
Private Colleges & Universities Authority, RB, Savannah College of Art & Design:		
5.00%, 4/01/31	540	594,626
5.00%, 4/01/33	395	432,754
5.00%, 4/01/44	1,775	1,922,236
		11,574,285
Hawaii 0.4%		
State of Hawaii Department of Transportation, COP, AMT:		
5.00%, 8/01/27	2,000	2,243,660
	Par	
Municipal Bonds		
	(000)	Value
Hawaii (concluded)		
State of Hawaii Department of Transportation, COP, AMT (concluded):		
5.00%, 8/01/28	\$ 1,775	\$ 1,972,274
		4,215,934
Illinois 21.8%		
City of Chicago Illinois, GARB, 3rd Lien:		
O Hare International Airport, Series B-2, AMT (NPFGC), 5.25%, 1/01/27	8,530	8,561,049
O Hare International Airport, Series A, 5.75%, 1/01/39	9,000	10,256,400
O Hare International Airport, Series B-2, AMT (NPFGC), 6.00%, 1/01/27	1,695	1,703,017
City of Chicago Illinois, GO, Refunding, Series A:		
5.00%, 1/01/34	2,000	1,943,120
5.00%, 1/01/35	9,280	8,930,794
5.00%, 1/01/36	4,245	4,050,027
Project, 5.25%, 1/01/33	11,065	11,102,400
City of Chicago Illinois, Refunding GARB, O Hare International Airport, AMT:		
3rd Lien, Series C-2 (AGM), 5.25%, 1/01/30	13,240	13,259,463
Series B, 5.00%, 1/01/31	2,425	2,630,567
City of Chicago Illinois, Refunding RB, Series A:		
Sales Tax Receipts, 5.00%, 1/01/41	4,190	4,435,450
Waterworks, 2nd Lien (AMBAC), 5.00%, 11/01/36	3,500	3,668,910
City of Chicago Illinois Midway International Airport, Refunding RB, 2nd Lien, Series A, AMT, 5.00%, 1/01/34		
	3,035	3,313,431
City of Chicago Illinois Park District, GO, Harbor Facilities Revenue, Series C:		
5.25%, 1/01/37	4,000	4,303,680
5.25%, 1/01/40	1,505	1,614,489
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36	1,620	1,792,449

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County of Cook Illinois Community College District No. 508, GO, City College of Chicago,
5.13%, 12/01/38

3,250

3,608,118

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APRIL 30, 2015

3

