

BLACKROCK MUNIYIELD NEW YORK QUALITY FUND, INC.  
Form N-CSR  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number: 811-06500

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield  
New York Quality Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2014

Date of reporting period: 07/31/2014

Item 1 Report to Stockholders

ANNUAL REPORT

**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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## Shareholder Letter

Dear Shareholder,

The latter part of 2013 was a strong period for equities and other risk assets such as high yield bonds, despite the mixed tone of economic and financial news and uncertainty as to when and by how much the U.S. Federal Reserve would begin to gradually reduce (or taper) its asset purchase programs. Stock markets rallied in September when the Fed defied investors' expectations with its decision to delay tapering. The momentum was disrupted temporarily, however, when the U.S. debt ceiling debate led to a partial government shutdown, roiling financial markets globally until a compromise was struck in mid-October. The remainder of 2013 was generally positive for developed market stocks, while fixed income and emerging market investments struggled as Fed tapering became increasingly imminent. When the central bank ultimately announced its tapering plans in mid-December, equity investors reacted positively, as this action signaled the Fed's perception of real improvement in the economy.

Most asset classes continued to move higher in 2014 despite the pull back in Fed stimulus. The year got off to a rocky start, however. A number of emerging economies showed signs of financial stress while facing the broader headwind of diminishing global liquidity. These risks, combined with disappointing U.S. economic data, caused equities to decline in January while bond markets found renewed strength from investors seeking relatively safer assets.

Although these headwinds persisted, equities were back on the rise in February as investors were encouraged by a one-year extension of the U.S. debt ceiling and market-friendly comments from the new Fed Chairwoman, Janet Yellen. While it was clear that U.S. economic data had softened, investors were assuaged by increasing evidence that the trend was temporary and weather-related, and continued to take on risk given expectations that growth would pick up later in the year.

In the months that followed, interest rates trended lower and bond prices climbed higher in the modest growth environment. Financial markets exhibited a remarkably low level of volatility despite rising geopolitical risks and mixed global economic news. Tensions in Russia and Ukraine and signs of decelerating growth in China caused some turbulence, but markets were resilient as investors focused on signs of improvement in the U.S. recovery, stronger corporate earnings and increased merger-and-acquisition activity. Importantly, investors were comforted by comments from the Fed offering reassurance that no changes to short-term interest rates were on the horizon.

In the low-rate environment, investors looked to equities as a source of yield, pushing major indices to record highs. As stock prices moved higher, investors soon became wary of stretched valuations and a new theme emerged in the markets. Stocks that had experienced significant price appreciation in 2013, particularly growth and momentum names, broadly declined as investors fled to stocks with cheaper valuations. This rotation resulted in the strongest performers of 2013 struggling most in 2014, and vice versa. Especially hard hit were U.S. small cap and European stocks where earnings growth had not kept pace with recent market gains. In contrast, emerging market stocks benefited from the trend. As a number of developing countries took steps to stabilize their finances, investors looked past political risks—hardly batting an eye at a military coup in Thailand—and poured back into these attractively priced investments.

Asset prices tend to be more vulnerable to bad news when investors believe valuations are stretched. Consequently, markets came under pressure in July as geopolitical tensions intensified with the tragic downing of a Malaysian civilian airliner over Ukraine, the continued fragmentation of Iraq and a ground war between Israel and Hamas in Gaza. As the period came to a close, financial troubles in Argentina and Portugal as well as new U.S. and European sanctions on Russia were additional headwinds for the markets.

Despite a host of challenges, most asset classes generated solid returns for the six- and 12-month periods ended July 31, 2014, with equities generally outperforming fixed income. Emerging market equities delivered impressive gains. Developed markets also performed well, although small cap stocks lagged due to relatively higher valuations. Most fixed income assets produced positive returns even as the Fed reduced its open-market purchases. Tax-exempt municipal bonds benefited from a favorable supply-and-demand environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit [blackrock.com](http://blackrock.com) for further insight about investing in today's world.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

*Asset prices pushed higher over the period despite modest global growth, geopolitical risks and a shift toward tighter U.S. monetary policy.*

Rob Kapito

President, BlackRock Advisors, LLC

**Total Returns as of July 31, 2014**

	<b>6-month</b>	<b>12-month</b>
U.S. large cap equities (S&P 500® Index)	9.44%	16.94%
U.S. small cap equities (Russell 2000® Index)	(0.30)	8.56
International equities (MSCI Europe, Australasia, Far East Index)	7.03	15.07
Emerging market equities (MSCI Emerging Markets Index)	15.70	15.32
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.02	0.05
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	2.71	3.50
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	2.16	3.97
Tax-exempt municipal bonds (S&P Municipal Bond Index)	4.11	7.38
U.S. high yield bonds  (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	3.33	8.18

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

## Municipal Market Overview

For the Reporting Period Ended July 31, 2014

### Municipal Market Conditions

The latter part of 2013 was a generally negative period for municipal bond performance. Heightened uncertainty as to when the U.S. Federal Reserve would begin to reduce its bond-buying stimulus program (and by how much) caused interest rates to be volatile and generally move higher. (Bond prices fall as rates rise.) Municipal bond mutual funds saw strong outflows through year end when the Fed finally announced its plan to begin the gradual reduction of stimulus in January of 2014. Relieved of anxiety around policy changes, investors again sought the relative safety of municipal bonds in the New Year. Surprisingly, interest rates trended lower in the first half of 2014 even as the Fed pulled back on its open-market bond purchases. Softer U.S. economic data amid one of the harshest winters on record, coupled with reassurance from the Fed that short-term rates would remain low for a considerable amount of time, resulted in stronger demand for fixed income investments, with municipal bonds being one of the stronger performing sectors. Still, for the 12-month period ended July 31, 2014, municipal bond funds saw net outflows of approximately \$35 billion (based on data from the Investment Company Institute).

High levels of interest rate volatility in the latter half of 2013, particularly on the long-end of the curve, resulted in a curtailment of tax-exempt issuance during the period. However, from a historical perspective, total new issuance for the 12 months ended July 31 remained relatively strong at \$303 billion (but meaningfully lower than the \$364 billion issued in the prior 12-month period). A noteworthy 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.

S&P Municipal Bond Index	
Total Returns as of July 31, 2014	
6 months:	4.11%
12 months:	7.38%

### A Closer Look at Yields

From July 31, 2013 to July 31, 2014, muni yields on AAA-rated 30-year municipal bonds decreased by 90 basis points ( bps ) from 4.20% to 3.30%, while 10-year rates decreased 41 bps from 2.67% to 2.26% on and 5-year rates fell 5 bps from 1.27% to 1.22% (as measured by Thomson Municipal Market Data). Overall, the municipal yield curve remained relatively steep

over the 12-month period even as the spread between 2- and 30-year maturities flattened by 78 bps and the spread between 2- and 10-year maturities flattened by 29 bps.

During the same time period, U.S. Treasury rates fell by 32 bps on 30-year and 2 bps on 10-year bonds, while moving up 37 bps in 5-years. Accordingly, tax-exempt municipal bonds outperformed Treasuries across the yield curve as investors sought to reduce interest rate risk later in the period. On the short and intermediate parts 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 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 the low-rate environment. 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, 16 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 uncertainty in a modestly improving economic environment.



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

## 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.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the 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.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Fund's financing cost of leverage is significantly lower than the income earned on the Fund's longer-term investments acquired from leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Fund's return on assets purchased with leverage proceeds, income to shareholders will be lower than if the Fund had not used leverage. Furthermore, the value of the Fund's 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 value of the Fund's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Fund's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Fund's Common Shares than if the Fund were not leveraged. In addition, the 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 the Fund to incur losses. The use of leverage may limit the Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The 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.

To obtain leverage, each Fund has issued Variable Rate Demand Preferred Shares ( VRDP Shares ) or Variable Rate Muni Term Preferred Shares ( VMTP ) (collectively, Preferred Shares ) and/or leveraged its assets through the use of tender option bond trusts ( TOBs ) as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940 (the 1940 Act ), each Fund is permitted to issue debt up to 33 1/3% of its total managed assets or equity securities (e.g., Preferred Shares) up to 50% of its total managed assets. A Fund may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Fund may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by the Preferred Shares' governing instruments or by agencies rating the Preferred Shares, which may be more stringent than those imposed by the 1940 Act.

If a Fund segregates or designates on its books and records cash or liquid assets having a value not less than the value of the Fund's obligations under the TOB (including accrued interest), a TOB will not be considered a senior security and will not be subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, 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

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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.

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## Fund Summary as of July 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 12-month period ended July 31, 2014, the Fund returned 12.30% based on market price and 16.19% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.52% based on market price and 14.95% 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.

Tax-exempt rates declined during the period, supporting generally positive performance for municipal bonds. (Bond prices rise when rates fall.) The municipal yield curve flattened, meaning that longer-dated yields declined more than shorter-maturity yields. In this environment, the Fund's duration exposure (sensitivity to interest rate movements) had a positive impact on performance. The Fund's longer-dated holdings in the health care, education and transportation sectors experienced strong price appreciation, aiding performance. The Fund also benefited from its holdings in the State of California, as the continued improvement in the State's economy was a catalyst for price appreciation during the period.

The Fund's modest exposure to Puerto Rico government-related credits in the earlier part of the period detracted from results, as credit spreads on these bonds widened materially due to investors' lack of confidence and the weak local economy. The Fund sold its exposure to these securities early in 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 July 31, 2014 (\$12.94) <sup>1</sup>	6.54%
Tax Equivalent Yield <sup>2</sup>	11.55%
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 July 31, 2014 <sup>4</sup>	36%

<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

	7/31/14	7/31/13	Change	High	Low
Market Price	\$12.94	\$12.32	5.03%	\$13.52	\$11.67
Net Asset Value	\$14.42	\$13.27	8.67%	\$14.49	\$12.70

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

## Overview of the Fund's Long-Term Investments

## Sector Allocation

	7/31/14	7/31/13
Transportation	37%	28%
County/City/Special District/School District	23	25
Utilities	17	21
Health	12	8
State	6	9
Education	2	6
Tobacco	2	2
Housing	1	1

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.

Credit Quality Allocation<sup>1</sup>

	7/31/14	7/31/13
AAA/Aaa	6%	7%
AA/Aa	67	65
A	25	28
BBB/Baa	2	

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

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

Calendar Year Ended December 31,	
2014	2%
2015	1

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2016	2
2017	1
2018	25

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

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## Fund Summary as of July 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 12-month period ended July 31, 2014, the Fund returned 12.16% based on market price and 16.04% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 15.36% based on market price and 15.42% 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.

Tax-exempt rates declined during the period, supporting generally positive performance for municipal bonds. (Bond prices rise when rates fall.) Municipal bonds with longer durations (and greater sensitivity to interest rate movements) tended to provide the strongest returns. In this environment, the Fund's exposure to the long end of the yield curve had a positive impact on performance. Security selection also helped performance, particularly with respect to the Fund's holdings of high quality school district issues, which performed well amid the improvement in the State of California's finances. The Fund's use of tender option bonds amplified the positive effect of falling rates on performance.

The Fund's cash reserves were generally maintained at a minimal level. However, 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 July 31, 2014 (\$14.37) <sup>1</sup>	6.10%
Tax Equivalent Yield <sup>2</sup>	12.43%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.073
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.876
Economic Leverage as of July 31, 2014 <sup>4</sup>	35%

<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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## BlackRock MuniYield California Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/14	7/31/13	Change	High	Low
Market Price	\$ 14.37	\$ 13.66	5.20%	\$ 15.15	\$ 13.00
Net Asset Value	\$ 16.14	\$ 14.83	8.83%	\$ 16.23	\$ 14.24

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

## Overview of the Fund's Long-Term Investments

## Sector Allocation

	7/31/14	7/31/13
County/City/Special District/School District	41%	39%
Utilities	23	26
Transportation	10	9
Health	10	9
Education	9	12
State	7	5

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.

Credit Quality Allocation<sup>1</sup>

	7/31/14	7/31/13
AAA/Aaa	10%	10%
AA/Aa	79	76
A	11	14

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

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.

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JULY 31, 2014

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## Fund Summary as of July 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 12-month period ended July 31, 2014, the Fund returned 15.39% based on market price and 14.84% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 12.67% based on market price and 12.42% 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.

Positive contributors to performance included the Fund's exposure to the long-end of the municipal yield curve, as the curve flattened substantially over the period. (Long-rates fell much more than short and intermediate rates.) The Fund's duration exposure and corresponding interest rate sensitivity also added to returns as municipal rates declined. (Bond prices rise as rates fall.) The income generated from the Fund's holdings of Michigan state tax-exempt municipal bonds contributed to performance as well.

The Fund's modest exposure to Puerto Rico government-related credits in the earlier part of the period detracted from results as credit spreads on these bonds widened materially due to investors' lack of confidence and a weak local economy. The Fund sold its exposure to these securities early in 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 July 31, 2014 (\$12.56) <sup>1</sup>	6.31%
Tax Equivalent Yield <sup>2</sup>	11.64%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.066
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.792
Economic Leverage as of July 31, 2014 <sup>4</sup>	37%

<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.

## BlackRock MuniYield Michigan Quality Fund II, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/14	7/31/13	Change	High	Low
Market Price	\$ 12.56	\$ 11.64	7.90%	\$ 13.07	\$ 11.03
Net Asset Value	\$ 14.26	\$ 13.28	7.38%	\$ 14.32	\$ 12.55

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

## Overview of the Fund's Long-Term Investments

## Sector Allocation

	7/31/14	7/31/13
Health	20%	15%
County/City/Special District/School District	19	25
Education	18	16
Utilities	16	15
State	11	14
Transportation	9	9
Housing	5	4
Corporate	2	2

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.

Credit Quality Allocation<sup>1</sup>

	7/31/14	7/31/13
AAA/Aaa	2%	1%
AA/Aa	78	76
A	20	22
BBB/Baa		1
N/R <sup>2</sup>		

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>2</sup> The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of July 31, 2014 and July 31, 2013, the market value of unrated securities deemed by the investment advisor to be investment grade was \$160,241 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	3%
2015	10
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.

## Fund Summary as of July 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 12-month period ended July 31, 2014, the Fund returned 9.95% based on market price and 14.21% based on NAV. For the same period, the closed-end Lipper New York Municipal Debt Funds category posted an average return of 12.03% based on market price and 12.89% 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.

Tax-exempt rates declined during the period, supporting generally positive performance for municipal bonds. (Bond prices rise when rates fall.) Municipal bonds with longer durations (and greater sensitivity to interest rate movements) tended to provide the strongest returns. In this environment, the Fund s exposure to the long end of the yield curve was a strong contributor to total return. This positioning allowed the Fund to maximize its income while also benefiting from the flattening of the yield curve. (Longer-dated yields declined more than shorter-maturity yields.) The Fund s exposure to lower coupon and zero-coupon bonds contributed positively to results, as these securities experienced strong price performance due to their relatively long durations for their respective maturities.

The Fund s holdings in the health care, corporate and transportation sectors the better performing areas of the market were particularly beneficial. The Fund s significant exposure to high-quality (A-rated) issues had a positive impact on results as the market s strong performance during the period was concentrated in this credit quality tier. Additionally, the Fund benefited from income generated from coupon payments on its portfolio of municipal bond holdings. The use of leverage allowed the Fund to maximize its income.

The Fund s modest exposure to Puerto Rico government-related credits in the earlier part of the period detracted from results, as credit spreads on these bonds widened materially due to investors lack of confidence and a weak local economy. The Fund sold its exposure to these securities early in 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	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2014 (\$12.71) <sup>1</sup>	6.09%
Tax Equivalent Yield <sup>2</sup>	12.33%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0645
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7740
Economic Leverage as of July 31, 2014 <sup>4</sup>	38%



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- <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 50.59%, 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.

## BlackRock MuniYield New York Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/14	7/31/13	Change	High	Low
Market Price	\$12.71	\$12.34	3.00%	\$13.48	\$11.64
Net Asset Value	\$14.09	\$13.17	6.99%	\$14.14	\$12.55

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

## Overview of the Fund's Long-Term Investments

## Sector Allocation

	7/31/14	7/31/13
County/City/Special District/School District	27%	28%
Transportation	24	26
Education	17	14
Utilities	10	9
State	11	11
Health	6	6
Housing	3	4
Corporate	2	2

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.

Credit Quality Allocation<sup>1</sup>

	7/31/14	7/31/13
AAA/Aaa	16%	15%
AA/Aa	60	49
A	21	33
BBB/Baa	2	2
BB/Ba	1	1
N/R <sup>2</sup>		

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>2</sup> The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of July 31, 2014 and July 31, 2013, the market value of unrated securities deemed by the investment advisor to be investment grade was \$3,040,070 and \$2,889,618, respectively, each representing less than 1% of the Fund's long-term investments.

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

Calendar Year Ended December 31,

2014	9%
2015	13
2016	6
2017	10
2018	7

<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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## Fund Summary as of July 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 12-month period ended July 31, 2014, the Fund returned 12.35% based on market price and 16.23% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.52% based on market price and 14.95% 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.

Positive contributors to performance included the Fund's exposure to the long-end of the municipal yield curve, as the curve flattened substantially over the period. (Long-rates fell much more than short and intermediate rates.) The Fund's duration exposure and corresponding interest rate sensitivity also added to returns as municipal rates declined. (Bond prices rise as rates fall.) The income generated from the Fund's holdings of tax-exempt municipal bonds contributed to performance as well.

The Fund's modest exposure to Puerto Rico government-related credits in the earlier part of the period detracted from results as credit spreads on these bonds widened materially due to investors' lack of confidence and a weak local economy. The Fund sold its exposure to these securities early in 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 July 31, 2014 (\$13.46) <sup>1</sup>	6.60%
Tax Equivalent Yield <sup>2</sup>	11.66%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.074
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.888
Economic Leverage as of July 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 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.

<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.

## BlackRock MuniYield Quality Fund III, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/14	7/31/13	Change	High	Low
Market Price	\$13.46	\$12.80	5.16%	\$14.10	\$12.04
Net Asset Value	\$14.84	\$13.64	8.80%	\$14.94	\$13.03

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

## Overview of the Fund's Long-Term Investments

## Sector Allocation

	7/31/14	7/31/13
Transportation	25%	27%
County/City/Special District/School District	20	17
Utilities	19	17
State	16	18
Health	9	9
Education	8	9
Housing	2	2
Corporate	1	1

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.

Credit Quality Allocation<sup>1</sup>

	7/31/14	7/31/13
AAA/Aaa	12%	10%
AA/Aa	65	62
A	21	26
BBB/Baa	2	1
N/R		1

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

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

Calendar Year Ended December 31,

2014	4%
2015	1

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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.

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## Schedule of Investments July 31, 2014

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

(Percentages shown are based on Net Assets)

	Par (000)	Value
<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	\$ 6,057,708
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	940	1,027,326
		7,085,034
<b>California 23.7%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	5,050	5,696,905
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	2,865	3,429,119
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	1,255,663
City & County of San Francisco California Airports Commission, Refunding ARB, 2nd Series A, AMT:		
5.50%, 5/01/28	1,800	2,079,486
5.25%, 5/01/33	1,410	1,560,898
City of San Jose California, Refunding ARB, Series A-1, AMT, 5.50%, 3/01/30	4,045	4,489,262
City of Sunnyvale California, Refunding RB, 5.25%, 4/01/40	2,800	3,081,484
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41	3,500	3,965,605
County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/33	3,175	3,654,838
Emery Unified School District, GO, Election of 2010, Series A (AGM), 5.50%, 8/01/35	1,875	2,112,225
Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33	2,445	2,885,613
Los Angeles Community College District California, GO:		
Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	5,000	5,527,050
Election of 2008, Series C, 5.25%, 8/01/39	2,000	2,296,040
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	1,675	1,850,188
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34	2,670	3,016,673
Sequoia Union High School District, GO, Refunding, Election of 2004, Series B, 5.50%, 7/01/16 (a)	5,190	5,708,533
State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/30	5,000	5,976,600
State of California Public Works Board, RB:		
Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	1,260	1,440,810
Various Capital Projects, Series I, 5.50%, 11/01/31	3,130	3,697,093
	Par (000)	Value
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
State of California Public Works Board, RB (concluded):		
Various Capital Projects, Series I, 5.50%, 11/01/33	\$ 3,000	\$ 3,546,150
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	940	1,094,884
University of California, Refunding RB, Medical Center Regents, Series J, 5.25%, 5/15/38	7,580	8,587,988
		76,953,107
<b>Colorado 2.1%</b>		
City & County of Denver Colorado Airport System, ARB, Series A, AMT:		
5.50%, 11/15/28	1,500	1,718,145
5.50%, 11/15/30	565	638,134
5.50%, 11/15/31	675	756,209
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26	3,300	3,756,687
		6,869,175
<b>Florida 21.4%</b>		
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	405	454,742
City of St. Petersburg Florida Public Utility, Refunding RB (NPFGC), 5.00%, 10/01/35	6,500	6,765,460
County of Broward Florida Airport System, ARB, Series A, AMT, 5.13%, 10/01/38	5,665	6,002,464
County of Department Miami-Dade Florida, RB, Seaport, Series A, 5.38%, 10/01/33	1,765	1,956,044



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County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29	2,995	3,358,743
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	2,500	2,722,625
County of Miami-Dade Florida, RB, Seaport:		
Series A, 5.50%, 10/01/42	3,000	3,325,320
Series B, AMT, 6.25%, 10/01/38	800	934,936
Series B, AMT, 6.00%, 10/01/42	1,060	1,210,796
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29	3,630	4,167,240
County of Miami-Dade Florida Aviation, Refunding ARB, AMT, Series A:		
Miami International Airport (AGM), 5.25%, 10/01/41	4,610	4,899,831
Miami International Airport (AGM), 5.50%, 10/01/41	4,180	4,701,789
5.00%, 10/01/31	5,155	5,544,305
5.00%, 10/01/32	5,000	5,345,150
County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 8/01/34	7,600	8,412,896

### Portfolio Abbreviations

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

See Notes to Financial Statements.

## 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>		
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	\$ 1,805	\$ 2,024,199
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36	6,965	7,740,692
		69,567,232
<b>Georgia 2.0%</b>		
City of Augusta Georgia Water & Sewerage, RB (AGM), 5.25%, 10/01/34	6,290	6,336,043
<b>Hawaii 0.7%</b>		
State of Hawaii, Department of Transportation, COP, AMT:		
5.25%, 8/01/25	740	850,800
5.25%, 8/01/26	1,205	1,374,929
		2,225,729
<b>Idaho 0.0%</b>		
Idaho Housing & Finance Association, RB, S/F Mortgage, Series E, AMT, 6.00%, 1/01/32	140	140,195
<b>Illinois 17.0%</b>		
City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien:		
Series A, 5.75%, 1/01/39	2,000	2,250,440
Series C, 6.50%, 1/01/41	9,085	10,869,294
City of Chicago Illinois, GO, Refunding, Series A:		
5.25%, 1/01/29	1,125	1,190,914
5.25%, 1/01/33	1,460	1,520,473
City of Chicago Illinois Midway Airport, Refunding GARB, AMT, 2nd Lien, Series A:		
5.50%, 1/01/28	1,000	1,124,510
5.50%, 1/01/29	1,500	1,675,305
5.38%, 1/01/33	2,000	2,168,780
5.00%, 1/01/41	970	1,010,643
City of Chicago Illinois Transit Authority, RB:		
Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 6/01/26	3,400	3,785,492
Sales Tax Receipts, 5.25%, 12/01/36	2,940	3,198,691
Sales Tax Receipts, 5.25%, 12/01/40	1,500	1,625,010
Sales Tax Receipts, 5.00%, 12/01/44	2,355	2,517,613
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	2,985	3,114,460
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.25%, 12/01/30	1,270	1,408,227
5.50%, 12/01/38	1,980	2,212,610
5.25%, 12/01/43	3,000	3,240,990
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	2,350	2,733,755
6.00%, 6/01/28	670	779,826
State of Illinois, GO:		
5.25%, 2/01/31	1,495	1,573,816
5.25%, 2/01/32	2,320	2,429,550
5.50%, 7/01/33	1,000	1,068,200
5.50%, 7/01/38	700	741,426
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28	2,500	2,801,750
		55,041,775
<b>Indiana 1.0%</b>		
Indiana Finance Authority, RB, Private Activity Bond (Ohio River Bridges), Series A, AMT, 5.00%, 7/01/40	460	476,551
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,370	2,633,781
		3,110,332
<b>Municipal Bonds</b>		
<b>Louisiana 1.5%</b>		
Lake Charles Harbor & Terminal District, RB, Series B, AMT, 5.50%, 1/01/29	\$ 2,225	\$ 2,518,233

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Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29	2,020	2,209,637
		4,727,870
<b>Massachusetts 1.2%</b>		
Massachusetts Educational Financing Authority, RB, Education Loan, Issue I, AMT, 5.00%, 1/01/26	2,240	2,445,184
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	1,500	1,541,445
		3,986,629
<b>Michigan 4.2%</b>		
City of Detroit Michigan, Refunding RB, Sewage Disposal System, Senior Lien:		
Series B (AGM), 7.50%, 7/01/33	1,330	1,455,525
Series C-1 (AGM), 7.00%, 7/01/27	4,180	4,536,429
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	3,420	3,687,273
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)	3,115	4,017,696
		13,696,923
<b>Minnesota 0.7%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	1,975	2,323,904
<b>Mississippi 1.3%</b>		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	2,405	3,126,692
Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38	1,000	1,133,280
		4,259,972
<b>Nevada 2.7%</b>		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	3,210	3,468,437
County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38	5,000	5,408,900
		8,877,337
<b>New Jersey 5.3%</b>		
New Jersey EDA, RB, The Goethals Bridge Replacement Project, AMT:		
5.38%, 1/01/43	1,940	2,058,049
(AGM), 5.00%, 1/01/31	1,355	1,467,600
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38	3,400	3,664,792
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A, 5.50%, 6/15/41	3,030	3,356,210
Series A (AGC), 5.63%, 12/15/28	2,930	3,426,694
Series AA, 5.50%, 6/15/39	3,040	3,360,872
		17,334,217
<b>New York 7.6%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Series EE:		
2nd General Resolution 5.38%, 6/15/43	2,220	2,595,802
Fiscal 2009, 5.25%, 6/15/40	6,930	7,824,524
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47	940	1,069,372

See Notes to Financial Statements.

## 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 York (concluded)</b>		
Metropolitan Transportation Authority, RB:		
Series A, 5.25%, 11/15/38	\$ 8,500	\$ 9,328,835
Series A-1, 5.25%, 11/15/39	1,550	1,723,151
Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36	2,000	2,246,060
		24,787,744
<b>Ohio 1.4%</b>		
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1:		
5.25%, 2/15/30	1,480	1,675,567
5.25%, 2/15/31	2,500	2,814,575
		4,490,142
<b>Pennsylvania 1.6%</b>		
State of Pennsylvania Turnpike Commission, RB, Series A, 5.00%, 12/01/44	1,115	1,221,416
Township of Bristol Pennsylvania School District, GO:		
5.25%, 6/01/37	2,500	2,767,750
5.25%, 6/01/43	1,100	1,213,465
		5,202,631
<b>South Carolina 4.1%</b>		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	3,760	4,325,128
County of Charleston South Carolina Airport District, ARB, Series A, AMT:		
6.00%, 7/01/38	2,940	3,323,082
5.50%, 7/01/41	2,500	2,739,550
State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series A, 5.50%, 1/01/38	2,500	2,818,400
		13,206,160
<b>Texas 19.0%</b>		
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	2,345	2,665,538
City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35	6,700	7,866,202
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC):		
6.50%, 1/01/19 (a)	620	756,146
6.50%, 7/01/37	2,380	2,669,765
Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38	4,555	5,124,193
Dallas-Fort Worth International Airport, ARB, Joint Improvement, AMT:		
Series A, 5.00%, 11/01/38	1,615	1,678,970
Series H, 5.00%, 11/01/37	1,810	1,894,980
Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33	2,155	2,433,297
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	7,000	7,965,440
North Texas Tollway Authority, Refunding RB, 1st Tier System:		
Series A (NPFGC), 5.63%, 1/01/33	10,975	12,209,358
Series A (NPFGC), 5.75%, 1/01/40	11,575	12,936,336
Series B (NPFGC), 5.75%, 1/01/40	1,000	1,117,610
Series K-2 (AGC), 6.00%, 1/01/38	1,000	1,152,250
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	1,070	1,213,401
		61,683,486
<b>Municipal Bonds</b>		
<b>Virginia 1.2%</b>		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	\$ 945	\$ 1,040,757
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	2,195	2,706,698

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		3,747,455
<b>Washington 1.5%</b>		
City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36	2,400	2,674,752
State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36	1,865	2,129,009
		4,803,761
<b>Total Municipal Bonds 123.4%</b>		400,456,853

**Municipal Bonds Transferred to**

**Tender Option Bond Trusts (b)**

<b>Alabama 1.2%</b>		
City of Mobile Alabama Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31	3,750	3,918,113
<b>Colorado 3.0%</b>		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-3 (AGM), 5.10%, 10/01/41	9,410	9,805,973
<b>District of Columbia 0.6%</b>		
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/35 (c)	1,700	1,954,807
<b>Florida 4.7%</b>		
County of Lee Florida Housing Finance Authority, RB, S/F Housing, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	795	822,221
County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 6.00%, 7/01/38	12,500	14,341,500
		15,163,721
<b>Illinois 2.9%</b>		
City of Chicago Illinois, ARB, O Hare International Airport, Series A (AGM), 5.00%, 1/01/38	5,000	5,200,150
City of Chicago Illinois, Refunding RB, Waterworks, 2nd Lien (AGM), 5.25%, 11/01/33	3,967	4,208,271
		9,408,421
<b>Kentucky 0.8%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	2,304	2,622,072
<b>Nevada 6.5%</b>		
County of Clark Nevada Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38	10,000	11,608,200
Series B, 5.50%, 7/01/29	8,247	9,664,911
		21,273,111
<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	4,118,585
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (c)	1,500	1,631,686
		5,750,271

See Notes to Financial Statements.

## 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>New York 6.9%</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	\$ 6,486,906
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	2,300	2,574,384
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated, 5.25%, 12/15/43	7,515	8,280,628
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (c)	4,400	4,932,576
		22,274,494
<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	4,645,322
<b>Utah 0.8%</b>		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	2,503	2,662,428
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 30.6%</b>		99,478,733
<b>Total Long-Term Investments (Cost \$458,412,415) 154.0%</b>		499,935,586
<b>Short-Term Securities</b>		
FBI Institutional Tax-Exempt Fund, 0.03% (d)(e)	4,174,381	\$ 4,174,381
<b>Total Short-Term Securities (Cost \$4,174,381) 1.3%</b>		4,174,381
<b>Total Investments (Cost \$462,586,796) 155.3%</b>		504,109,967
<b>Other Assets Less Liabilities 1.3%</b>		3,964,443
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (16.2%)</b>		(52,511,169)
<b>VMTP Shares, at Liquidation Value (40.4%)</b>		(131,000,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 324,563,241

## Notes to Schedule of investments

- (a) U.S. 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 received cash and 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 year ended July 31, 2014, for purposes of Section 2 (a)(3) of the 1940 Act, as amended, were as follows:

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Affiliate	Shares Held at July 31, 2013	Net Activity	Shares Held at July 31, 2014	Income
FFI Institutional Tax-Exempt Fund	16,070,448	(11,896,067)	4,174,381	\$ 1,810

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

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

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation
(210)	10-Year U.S. Treasury Note	Chicago Board of Trade	September 2014	\$ 26,167,969	\$ 89,940

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 invest-

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

ments 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 July 31, 2014:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 499,935,586		\$ 499,935,586
Short-Term Securities	\$ 4,174,381			4,174,381
<b>Total</b>	\$ 4,174,381	\$ 499,935,586		\$ 504,109,967

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

	Level 1	Level 2	Level 3	Total
<b>Derivative Financial Instruments<sup>2</sup></b>				
<b>Assets:</b>				
Interest rate contracts	\$ 89,940			\$ 89,940

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

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of July 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash	\$ 116,679			\$ 116,679
Cash pledged for financial futures contracts	287,000			287,000
<b>Liabilities:</b>				
TOB trust certificates		\$ (52,497,152)		(52,497,152)
VMTP Shares		(131,000,000)		(131,000,000)
<b>Total</b>	\$ 403,679	\$ (183,497,152)		\$ (183,093,473)

There were no transfers between levels during the year ended July 31, 2014.

See Notes to Financial Statements.



## Schedule of Investments July 31, 2014

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>California 100.0%</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	\$ 2,806,191
<b>County/City/Special District/School District 36.9%</b>		
Centinela Valley Union High School District, GO, Refunding, Election of 2008, Series B, 6.00%, 8/01/36	2,250	2,706,120
City & County of San Francisco California, COP, AMT, Port Facilities Project, Series C, 5.25%, 3/01/32	1,050	1,183,529
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	2,000	2,328,560
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	4,165,560
County of Los Angeles California Sanitation Districts Financing Authority, Refunding RB, (BHAC), 5.00%, 10/01/34	5,000	5,199,450
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/35	2,500	2,820,050
County of Orange California Water District, COP, Refunding, 5.25%, 8/15/34	9,045	10,370,454
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	2,530	3,038,657
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/37	2,590	2,952,367
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40	2,500	2,936,125
Grossmont Union High School District, GO, Election of 2008, Series C, 5.50%, 8/01/33	1,880	2,178,619
Kern Community College District, GO, Safety Repair & Improvements, Series C, 5.25%, 11/01/32	5,715	6,631,457
Los Angeles Community College District, GO, Election of 2003, Series E (AGM), 5.00%, 8/01/31	7,500	7,993,800
Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27	7,000	7,102,830
Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 4/01/39	2,075	2,369,173
Mount San Antonio Community College District, GO, Refunding, Election of 2008, Series 2013-A, 5.00%, 8/01/34	4,500	5,069,070
Ohlone Community College District, GO, Election of 2010, Series A, 5.25%, 8/01/41	8,140	9,065,762
Orchard School District, GO, Election of 2001, Series A (AGC), 5.00%, 8/01/34	7,490	8,115,565
Oxnard Union High School District California, GO, Refunding, Series A (NPFGC), 6.20%, 8/01/30	9,645	10,471,287
Pittsburg Unified School District, GO, Election of 2006, Series B (AGM):		
5.50%, 8/01/34	2,000	2,264,040
5.63%, 8/01/39	4,500	5,100,795
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,634,400
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34	10,500	10,827,390
San Joaquin Delta Community College District, GO, Election of 2004, Series C, 5.00%, 8/01/39 (a)	6,000	6,618,660
San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A:		
5.75%, 5/01/36	2,570	2,749,566
5.75%, 5/01/42	4,500	5,290,380
	<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	\$ 3,770,246
Convention Center Expansion & Renovation Project, 5.00%, 6/01/39	25,000	27,212,500
San Juan Unified School District, GO, Election of 2002 (AGM), 5.00%, 8/01/34	6,475	7,106,701
San Leandro California Unified School District, GO, Election of 2010, Series A, 5.75%, 8/01/41	3,000	3,395,970
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,600	6,515,880
Walnut Valley Unified School District, GO, Election of 2007, Series B, 5.75%, 8/01/41	7,680	8,811,341
West Contra Costa California Unified School District, GO:		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	6,140	6,702,424
Election of 2010, Series B, 5.50%, 8/01/39	3,000	3,390,570

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Election of 2012, Series A, 5.50%, 8/01/39	2,500	2,827,500
		204,916,798
<b>Education 2.8%</b>		
California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,154,965
Gavilan Joint Community College District, GO, Election of 2004, Series D: 5.50%, 8/01/31	2,165	2,498,540
5.75%, 8/01/35	8,400	9,779,616
		15,433,121
<b>Health 14.3%</b>		
ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare, Series A, 6.00%, 8/01/30	2,345	2,833,182
California Health Facilities Financing Authority, RB: Children s Hospital, Series A, 5.25%, 11/01/41	10,500	11,345,775
Providence Health Services, Series B, 5.50%, 10/01/39	4,105	4,732,696
Sutter Health, Series A, 5.25%, 11/15/46	6,970	7,382,903
Sutter Health, Series B, 6.00%, 8/15/42	7,715	9,234,083
California Health Facilities Financing Authority, Refunding RB: Catholic Healthcare West, Series A, 6.00%, 7/01/34	2,270	2,563,579
Catholic Healthcare West, Series A, 6.00%, 7/01/39	5,500	6,102,855
Stanford Hospital, Series A-3, 5.50%, 11/15/40	3,000	3,420,150
California Statewide Communities Development Authority, RB: Kaiser Permanente, Series A, 5.00%, 4/01/42	13,500	14,614,695
Kaiser Permanente, Series B, 5.25%, 3/01/45	6,000	6,183,540
Sutter Health, Series A, 6.00%, 8/15/42	4,545	5,439,911
California Statewide Communities Development Authority, Refunding RB: Catholic Healthcare West, Series D (BHAC), 5.50%, 7/01/31	865	964,691
Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	2,550	2,734,008
Washington Township Health Care District, GO, Series B, 5.50%, 8/01/38	1,625	1,901,721
		79,453,789
<b>State 9.9%</b>		
State of California, GO, Various Purposes: 6.00%, 3/01/33	5,500	6,598,735

See Notes to Financial Statements.

## 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 (concluded)</b>		
<b>State (concluded)</b>		
State of California, GO, Various Purposes (concluded):		
6.00%, 4/01/38	\$ 17,510	\$ 20,606,643
6.00%, 11/01/39	3,510	4,210,175
State of California Public Works Board, RB:		
Correctional Facilities Improvements, Series A, 5.00%, 9/01/39	11,000	12,125,850
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,367,997
Various Capital Projects, Sub-Series I-1, 6.13%, 11/01/29	3,365	4,037,226
Various Capital Projects, Series I, 5.50%, 11/01/33	2,575	3,043,779
		54,990,405
<b>Transportation 14.8%</b>		
City & County of San Francisco California Airports Commission, ARB:		
Series E, 6.00%, 5/01/39	9,650	11,438,821
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	1,000	1,004,530
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.13%, 1/01/27	985	989,314
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,679,750
2nd Series 34E (AGM), 5.75%, 5/01/25	3,500	3,959,550
2nd Series A, 5.25%, 5/01/33	1,435	1,588,574
City of Los Angeles California Department of Airports, ARB, Los Angeles International Airport, Sub-Series B, 5.00%, 5/15/40		
	2,500	2,721,650
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Senior Series A, 5.25%, 5/15/29		
	3,760	4,364,984
City of San Jose California, Refunding ARB, Series A-1, AMT, 6.25%, 3/01/34		
	1,400	1,619,380
County of Los Angeles California Metropolitan Transportation Authority, Refunding RB, Series A (AMBAC), 5.00%, 7/01/35		
	6,825	7,063,261
County of Orange California, ARB, Series B, 5.75%, 7/01/34		
	5,000	5,614,850
County of Sacramento California, ARB:		
Senior Series B, AMT (AGM), 5.25%, 7/01/33	8,055	8,545,308
Subordinated & Passenger Facility Charges/Grant, Series C (AGC), 5.75%, 7/01/39	5,555	6,355,142
County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40	4,500	5,187,825
County of San Diego California Regional Airport Authority, Refunding ARB, Series B, 5.00%, 7/01/40		
	6,350	6,788,341
Los Angeles Harbor Department, RB, Series B:		
5.25%, 8/01/34	5,530	6,327,315
5.25%, 8/01/39	2,535	2,900,496
		82,149,091
<b>Utilities 20.8%</b>		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36		
	5,000	5,731,750
City of Los Angeles California Department of Water & Power, Refunding RB, Series A, 5.25%, 7/01/39		
	8,000	8,885,520
City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A, 5.00%, 6/01/28		
	2,000	2,305,260
City of Napa California Water System, RB, (AMBAC), 5.00%, 5/01/35		
	9,070	9,873,239
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
<b>Utilities (concluded)</b>		
City of San Francisco California, RB, Public Utilities Water Commission, Series A, 5.00%, 11/01/37	\$ 15,000	\$ 16,626,750
City of San Francisco California, Refunding RB, Public Utilities Water Commission, Series A, 5.25%, 11/01/31	6,280	7,227,840
County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/38	4,895	5,424,737
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41	4,000	4,840,440

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East Bay California Municipal Utility District Water System Revenue, RB, Series A (NPFGC), 5.00%, 6/01/35	4,095	4,222,395
East Bay Municipal Utility District, RB, Series A (NPFGC), 5.00%, 6/01/15 (b)	10,905	11,344,363
<b>East Bay Municipal Utility District, Refunding RB:</b>		
Series A (NPFGC), 5.00%, 6/01/37	4,000	4,397,440
Sub-Series A, 5.00%, 6/01/30	5,000	5,734,450
Sub-Series A (AGM), 5.00%, 6/01/37	10,000	10,993,600
Sub-Series A (AMBAC), 5.00%, 6/01/33	3,000	3,288,420
El Dorado Irrigation District/El Dorado County Water Agency, Refunding RB, Series A (AGM), 5.25%, 3/01/39	5,000	5,672,200
Imperial Irrigation District, Refunding RB, Electric System, 5.13%, 11/01/38	5,835	6,360,442
San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A, 5.25%, 5/15/34	2,000	2,282,180
		115,211,026
<b>Total Municipal Bonds 100.0%</b>		554,960,421

### Municipal Bonds Transferred to

#### Tender Option Bond Trusts (c)

<b>California 49.6%</b>		
<b>County/City/Special District/School District 24.2%</b>		
Arcadia Unified School District California, GO, Election of 2006, Series A (AGM), 5.00%, 8/01/37	7,925	8,599,007
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	12,150	13,362,934
<b>Los Angeles Community College District California, GO:</b>		
Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	26,438	29,224,291
Election of 2001, Series A (AGM), 5.00%, 8/01/32	12,000	13,264,920
Election of 2003, Series F-1, 5.00%, 8/01/33	12,000	13,477,680
Los Angeles Community College District California, GO, Refunding, Election of 2008, 6.00%, 8/01/33	9,596	11,458,954
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,612,650
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/16 (b)	10,000	10,935,400
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	7,550	8,054,868
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30	19,630	20,249,326
		134,240,030
<b>Education 11.3%</b>		
California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/35	20,000	20,924,200

See Notes to Financial Statements.

## 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) California (concluded)</b>		
<b>Education (concluded)</b>		
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	\$ 11,000	\$ 12,123,650
University of California, RB:		
Limited Project, Series D (AGM), 5.00%, 5/15/41	8,000	8,615,440
Series L, 5.00%, 5/15/40	7,398	7,967,332
Series O, 5.75%, 5/15/34	11,190	13,100,544
		62,731,166
<b>Utilities 14.1%</b>		
City & County of San Francisco California Public Utilities Commission, RB, Series B, 5.00%, 11/01/39	4,380	4,870,867
County of San Diego California Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33	8,510	9,430,016
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37	7,990	8,806,738
Los Angeles Department of Water & Power, RB, Power System:		
Sub-Series A-1 (AGM), 5.00%, 7/01/37	13,525	14,842,410
Sub-Series A-1 (AMBAC), 5.00%, 7/01/37	5,029	5,498,074
Sub-Series A-2 (AGM), 5.00%, 7/01/35	7,500	8,036,850
Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37	15,000	16,411,650
	<b>Par</b>	
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (c) California (concluded)</b>		
<b>Utilities (concluded)</b>		
Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34	\$ 9,277	\$ 10,392,857
		78,289,462
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 49.6%</b>		275,260,658
<b>Total Long-Term Investments</b>		
<b>(Cost \$767,336,109) 149.6%</b>		830,221,079
<b>Short-Term Securities</b>	<b>Shares</b>	<b>Value</b>
BIF California Municipal Money Fund, 0.00% (d)(e)	1,241,242	1,241,242
<b>Total Short-Term Securities</b>		
<b>(Cost \$1,241,242) 0.2%</b>		1,241,242
<b>Total Investments (Cost \$768,577,351) 149.8%</b>		831,462,321
<b>Other Assets Less Liabilities 3.1%</b>		17,595,158
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (22.9%)</b>		(127,430,238)
<b>VRDP Shares, at Liquidation Value (30.0%)</b>		(166,500,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 555,127,241

## Notes to Schedule of investments

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

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Counterparty	Value	Unrealized Appreciation
RBC Capital Markets, LLC	\$ 6,618,660	

(b)