

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

Form N-CSR

October 01, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number: 811-06540

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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Quality Fund III, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2015

Date of reporting period: 07/31/2015

Item 1 Report to Stockholders

JULY 31, 2015

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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## The Markets in Review

Dear Shareholder,

Diverging monetary policies and shifting economic outlooks between regions were the broader themes underlying market conditions during the 12-month period ended July 31, 2015. The period began with investors caught between the forces of low interest rates and an improving U.S. economy, high asset valuations, oil price instability and lingering geopolitical risks in Ukraine and the Middle East. As U.S. growth picked up considerably in the fourth quarter of 2014, the broader global economy showed signs of slowing. Investors favored the stability of U.S. assets despite uncertainty as to when the Federal Reserve (the Fed) would raise short-term interest rates. International markets continued to struggle even as the European Central Bank and the Bank of Japan eased monetary policy. Oil prices plummeted in late 2014 due to a global supply-and-demand imbalance, sparking a sell-off in energy-related assets and putting stress on emerging markets. Fixed income investors piled into U.S. Treasuries as their persistently low yields had become attractive as compared to the even lower yields on international sovereign debt.

Equity markets reversed in early 2015, with international markets outperforming the United States as global risks abated. Investors had held high expectations for the U.S. economy, but a harsh winter and west coast port strike brought disappointing first-quarter data and high valuations took their toll on U.S. stocks, while bond yields fell to extreme lows. (Bond prices rise as yields fall.) In contrast, economic reports in Europe and Asia easily beat investors' very low expectations, and accommodative policies from central banks in those regions helped international equities rebound. Oil prices stabilized, providing some relief for emerging market stocks, although a stronger U.S. dollar continued to be a headwind for the asset class.

U.S. economic data regained momentum in the second quarter, helping U.S. stocks resume an upward path, although meaningful strength in the labor market underscored the likelihood that the Fed would raise short-term rates before the end of 2015 and bond yields moved swiftly higher. The month of June brought a sharp, but temporary, sell-off across most asset classes as Greece's long-brewing debt troubles came to an impasse and investors feared the consequences should Greece leave the eurozone. Adding to global worries was a massive correction in Chinese equity prices despite policymakers' attempts to stabilize the market. As these concerns abated in the later part of July, developed markets rebounded with the help of solid corporate earnings. Emerging markets, however, continued to slide as Chinese equities remained highly volatile and growth estimates for many emerging economies were revised lower. Bond markets moved back into positive territory as softer estimates for global growth and the return of falling commodity prices caused yields to move lower.

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 markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of July 31, 2015

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	6.55%	11.21%

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U.S. small cap equities (Russell 2000® Index)	6.98	12.03
International equities (MSCI Europe, Australasia, Far East Index)	7.19	(0.28)
Emerging market equities (MSCI Emerging Markets Index)	(4.76)	(13.38)
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.00	0.01
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	(3.64)	5.32
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	(1.47)	2.82
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(0.97)	3.50
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	1.27	0.37

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

For the Reporting Period Ended July 31, 2015

### Municipal Market Conditions

Municipal bonds generated positive performance for the period, thanks to a favorable supply-and-demand environment and declining interest rates in the earlier half. (Bond prices rise as rates fall.) Interest rates moved lower in 2014 even as the U.S. Federal Reserve (the Fed) curtailed its open-market bond purchases. This, coupled with reassurance from the Fed that short-term rates would remain low for a considerable amount of time, resulted in strong demand for fixed income investments in 2014, with municipal bonds being one of the stronger performing sectors for the year. This trend continued into the beginning of 2015 until rate volatility ultimately increased in February as a result of uneven U.S. economic data and widening central bank divergence, i.e., rate cuts outside the United States while the Fed poised for normalizing U.S. rates. During the 12 months ended July 31, 2015, municipal bond funds garnered net inflows of approximately \$24 billion (based on data from the Investment Company Institute).

For the same 12-month period, total new issuance remained relatively strong from a historical perspective at \$406 billion (considerably higher than the \$306 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 60%) as issuers took advantage of low interest rates and a flatter yield curve to reduce their borrowing costs.

S&P Municipal Bond Index  
Total Returns as of July 31, 2015  
6 months: (0.97)%  
12 months: 3.50%

### A Closer Look at Yields

From July 31, 2014 to July 31, 2015, yields on AAA-rated 30-year municipal bonds declined by 18 basis points ( bps ) from 3.30% to 3.12%, while 10-year rates fell by 7 bps from 2.26% to 2.19% and 5-year rates increased 8 bps from 1.22% to 1.30% (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 49 bps and the spread between 2- and 10-year maturities flattened by 38 bps.

During the same time period, U.S. Treasury rates fell by 38 bps on 30-year bonds, 35 bps on 10-year bonds and 21 bps in 5-years. Accordingly, tax-exempt municipal bonds underperformed Treasuries across the yield curve, most notably in the intermediate part of the curve as a result of increased supply and tempered demand. In absolute terms, positive performance of muni bonds was driven largely by a supply/demand imbalance within the municipal market as investors sought income and incremental yield in an environment where opportunities had become scarce. More broadly, municipal bonds benefited from the greater appeal of tax-exempt investing in light of the higher tax rates implemented in 2014. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

### Financial Conditions of Municipal Issuers

The majority of municipal credits remain strong, despite well-publicized distress among a few issuers. The four largest states – California, New York, Texas and Florida – have exhibited markedly improved credit fundamentals during the slow national recovery. However, several states with the largest unfunded pension liabilities have seen their bond prices decline noticeably and remain vulnerable to additional price deterioration. On the local level, Chicago's credit quality downgrade is an outlier relative to other cities due to its larger pension liability and inadequate funding remedies. BlackRock maintains the view that municipal bond defaults will remain minimal and in the periphery while the overall market is fundamentally sound. We continue to advocate careful credit research and believe that a thoughtful approach to structure and security selection remain imperative amid uncertainty in a modestly improving economic environment.

Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

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## The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the distribution rate on, 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 is based on short-term interest rates, is normally 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 Funds (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Funds' shareholders 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 they utilize 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 Funds' 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 Funds with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Funds' financing cost of leverage is significantly lower than the income earned on the Funds' 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 Funds' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Funds had not used leverage. Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Funds' obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' 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 generally causes 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 Funds were not leveraged. In addition, the Funds 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 Funds to incur losses. The use of leverage may limit a Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The Funds 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. Moreover, to the extent the calculation of the Funds' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Funds' investment advisor will be higher than if the Funds did not use leverage.

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

Under the Investment Company Act of 1940, as amended (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 Funds' obligations under the TOB Trust (including accrued interest), a TOB Trust is not considered a senior security and is not subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

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The Funds may invest in various derivative financial instruments. Derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage. Derivative financial instruments also 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 limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. 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, 2015**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.

**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, 2015 (\$13.13) <sup>1</sup>	6.21%
Tax Equivalent Yield <sup>2</sup>	10.97%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0680
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8160
Economic Leverage as of July 31, 2015 <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.

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

<sup>4</sup> Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VMTP Shares and TOB Trusts, 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.

**Performance**

Returns for the 12 months ended July 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV <sup>7</sup>
MUE <sup>5</sup>	7.96%	6.84%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>6</sup>	6.90%	6.95%

<sup>5</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>6</sup> Average return.

<sup>7</sup> 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 the Fund's absolute performance based on NAV:

Municipal bonds generally delivered gains during the 12-month period, with yields declining as prices rose. Long-term bonds outperformed short-term debt, due to a flattening of the yield curve. In this environment, the Fund's duration positioning contributed positively to performance. The Fund's longer dated holdings in the transportation, utilities, health and school district sectors experienced the best price performance on an absolute basis. Income in the form of coupon payments made up a meaningful portion of the Fund's total return for the period. In addition, the Fund's minimal cash balance and use of leverage allowed it to increase its income.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance given that bond yields declined during the reporting 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.

## BlackRock MuniHoldings Quality Fund II, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$ 13.13	\$ 12.94	1.47%	\$ 14.30	\$ 12.67
Net Asset Value	\$ 14.48	\$ 14.42	0.42%	\$ 15.17	\$ 14.29

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/15	7/31/14
Transportation	37%	37%
County/City/Special District/School District	25	23
Utilities	14	17
Health	11	12
State	7	6
Education	2	2
Corporate	2	
Housing	1	1
Tobacco	1	2

For Fund compliance purposes, the Fund's sector classifications refer to 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>

	7/31/15	7/31/14
AAA/Aaa	6%	6%
AA/Aa	65	67
A	26	25
BBB/Baa	3	2
N/R	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.

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<sup>2</sup> Represents less than 1% of Fund's total investments.

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

Calendar Year Ended December 31,

2015	1%
2016	1
2017	1
2018	25
2019	15

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

\* Excludes short-term securities.

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## Fund Summary as of July 31, 2015

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.

## Fund Information

Symbol on NYSE	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2015 (\$14.71) <sup>1</sup>	5.96%
Tax Equivalent Yield <sup>2</sup>	12.15%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0730
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8760
Economic Leverage as of July 31, 2015 <sup>4</sup>	38%

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

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

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

<sup>4</sup> Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOB Trusts, 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.

## Performance

Returns for the 12 months ended July 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV <sup>7</sup>
MCA <sup>5</sup>	8.47%	5.76%
Lipper California Municipal Debt Funds <sup>6</sup>	7.67%	6.36%

<sup>5</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>6</sup> Average return.

<sup>7</sup> 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 the Fund's absolute performance based on NAV:

The California municipal bond market delivered a gain during the 12-month period, as the combination of falling U.S. Treasury yields, the state's improving economy and rising revenues for state and local governments provided firm support for the market. These factors enabled longer-term bonds to outperform their short-term counterparts, and the Fund was positioned for this trend via its exposure to the long end of the yield curve. The Fund also maintained a fully invested posture with a low level of cash reserves, which allowed it to capitalize fully on the market's robust performance.

The Fund's positions in AA-rated credits within the school district, transportation and health sectors outperformed as California's improving credit profile enabled their valuations to rise. Positions in the utilities sector also aided performance. The Fund was further helped by having a zero weighting in Puerto Rico, where a deterioration of credit fundamentals led to a sharp downturn in prices.

Leverage on the Fund's assets, which was achieved through the use of tender option bonds, amplified the positive effect of falling rates on performance.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance given that bond yields declined during the reporting 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.



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

	<b>7/31/15</b>	<b>7/31/14</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 14.71	\$ 14.37	2.37%	\$ 15.94	\$ 14.27
Net Asset Value	\$ 16.11	\$ 16.14	(0.19)%	\$ 16.62	\$ 15.91

**Market Price and Net Asset Value History For the Past Five Years**
**Overview of the Fund's Total Investments\***
**Sector Allocation**

	<b>7/31/15</b>	<b>7/31/14</b>
County/City/Special District/School District	39%	41%
Utilities	25	23
Transportation	10	10
Education	12	9
Health	9	10
State	5	7

For Fund compliance purposes, the Fund's sector classifications refer to 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>**

	<b>7/31/15</b>	<b>7/31/14</b>
AAA/Aaa	12%	10%
AA/Aa	77	79
A	11	11

<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,

2015	4%
2016	5
2017	14
2018	9

2019

17

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

\* Excludes short-term securities.

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## Fund Summary as of July 31, 2015

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.

On April 30, 2015, the Board of the Fund and BlackRock MuniYield Michigan Quality Fund, Inc. ( MIY ) approved the reorganization of the Fund with and into MIY, with MIY continuing as the surviving fund after the reorganization. At a special shareholder meeting on August 6, 2015, the requisite shareholders of MIY approved the reorganization of the Fund with and into MIY, which was effective on September 14, 2015.

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

## Fund Information

Symbol on NYSE	MYM
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2015 (\$12.56) <sup>1</sup>	6.02%
Tax Equivalent Yield <sup>2</sup>	11.11%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0630
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7560
Economic Leverage as of July 31, 2015 <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 TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOB Trusts, 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.

## Performance

Returns for the 12 months ended July 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV <sup>7</sup>
MYM <sup>5</sup>	6.32%	7.97%
Lipper Other States Municipal Debt Funds <sup>6</sup>	4.85%	6.04%

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<sup>5</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>6</sup> Average return.

<sup>7</sup> 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 the Fund's absolute performance based on NAV:

Municipal bonds generally delivered gains during the 12-month period, with yields declining as prices rose. Long-term bonds outperformed short-term debt, due to a flattening of the yield curve for the full 12 months. Performance differed significantly during the two halves of the annual period, however. In the first half (August 2014 through January 2015), the market rallied significantly and the municipal yield curve flattened aggressively. During this time, long-term rates fell much more than intermediate rates, while two-year rates rose. In contrast, the second half brought weaker price performance and a steepening of the yield curve.

Income in the form of coupon payments made a significant contribution to the Fund's total return for the period. The Fund's exposure to longer-term debt also aided returns. The Fund's duration positioning further contributed to performance, as municipal bond yields decreased during the period. (Duration measures sensitivity to interest rate movements). Positions in the utilities and education sectors were an additional positive factor in performance. The Fund also benefited from the use of leverage, which enabled it to increase its income and capitalize on the market's positive price performance.

There were no detractors from performance on an absolute basis as all areas of the Fund's investment universe appreciated during 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.

## BlackRock MuniYield Michigan Quality Fund II, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$ 12.56	\$ 12.56	0.00%	\$ 13.50	\$ 12.28
Net Asset Value	\$ 14.48	\$ 14.26	1.54%	\$ 15.13	\$ 14.26

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/15	7/31/14
Health	23%	20%
Education	21	18
County/City/Special District/School District	19	19
State	13	11
Utilities	10	16
Transportation	8	9
Housing	4	5
Corporate	2	2

For Fund compliance purposes, the Fund's sector classifications refer to 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>

	7/31/15	7/31/14
AAA/Aaa	1%	2%
AA/Aa	75	78
A	21	20
BBB/Baa	2	
N/R	1	2

<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 the market value of unrated securities deemed by the investment advisor to be investment grade represents less than 1% of the Fund's total investments.

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

Calendar Year Ended December 31,

2015	5%
2016	4
2017	8
2018	13
2019	6

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

\* Excludes short-term securities.

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## Fund Summary as of July 31, 2015

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.

## Fund Information

Symbol on NYSE	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2015 (\$13.13) <sup>1</sup>	5.67%
Tax Equivalent Yield <sup>2</sup>	11.48%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0620
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7440
Economic Leverage as of July 31, 2015 <sup>4</sup>	38%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 50.59%, 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 TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOB Trusts, 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.

## Performance

Returns for the 12 months ended July 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV <sup>7</sup>
MYN <sup>5</sup>	9.52%	6.54%
Lipper New York Municipal Debt Funds <sup>6</sup>	8.00%	6.41%

<sup>5</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>6</sup> Average return.

<sup>7</sup> 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 the Fund's absolute performance based on NAV:

Municipal bonds generally delivered gains during the 12-month period, with yields declining as prices rose. Longer-term bonds, which were aided by the backdrop of relatively slow economic growth and low inflation, outpaced shorter-term issues, which were pressured by the prospects of an interest rate hike by the U.S. Federal Reserve later in 2015.

In this environment, the Fund's investments in longer duration and longer dated bonds generally provided the best returns. (Duration is a measure of interest rate sensitivity). Positions in the tax-backed (state and local), transportation and utilities sectors were positive contributors to performance. The Fund's investments in zero-coupon bonds, which generated strong price performance, also aided returns. The Fund's exposure to higher-yielding, lower-rated bonds in the investment grade category aided performance, as this market segment outperformed during the period. Income in the form of coupon payments made up a meaningful portion of the Fund's total return for the period. The Fund's leverage allowed it to increase its income.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance given that bond yields declined during the reporting 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.



## BlackRock MuniYield New York Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$13.13	\$12.71	3.30%	\$13.86	\$12.68
Net Asset Value	\$14.16	\$14.09	0.50%	\$14.71	\$13.92

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/15	7/31/14
County/City/Special District/School District	21%	27%
Transportation	20	24
Education	18	17
State	15	11
Utilities	14	10
Health	6	6
Housing	3	3
Corporate	2	2
Tobacco	1	

For Fund compliance purposes, the Fund's sector classifications refer to 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>

	7/31/15	7/31/14
AAA/Aaa	15%	16%
AA/Aa	59	60
A	20	21
BBB/Baa	3	2
BB/Ba	1	1
N/R <sup>2</sup>	2	

<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, 2015 and July 31, 2014, the market value of unrated securities deemed by the investment advisor to be investment grade each represents 1% and less than 1%, respectively, of the Fund's total investments.

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

Calendar Year Ended December 31,

2015	6%
2016	4
2017	10
2018	7
2019	7

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

\* Excludes short-term securities.

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## Fund Summary as of July 31, 2015

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.

## Fund Information

Symbol on NYSE	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of July 31, 2015 (\$14.04) <sup>1</sup>	6.32%
Tax Equivalent Yield <sup>2</sup>	11.17%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0740
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8880
Economic Leverage as of July 31, 2015 <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 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 TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOB Trusts, 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.

## Performance

Returns for the 12 months ended July 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV <sup>7</sup>
MYI <sup>5</sup>	11.06%	6.12%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>6</sup>	6.90%	6.95%

<sup>5</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>6</sup> Average return.

<sup>7</sup> 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 the Fund's absolute performance based on NAV:

Municipal bonds generally delivered gains during the 12-month period, with yields declining as prices rose. Long-term bonds outperformed short-term debt, due to a flattening of the yield curve for the full 12 months. Performance differed significantly during the two halves of the annual period, however. In the first half (August 2014 through January 2015), the market rallied significantly and the municipal yield curve flattened aggressively. During this time, long-term rates fell much more than intermediate rates, while two-year rates rose. In contrast, the second half brought weaker price performance and a steepening of the yield curve.

Income in the form of coupon payments made a significant contribution to the Fund's total return for the period. The Fund's exposure to longer-term debt also aided returns. The Fund's duration positioning further contributed to performance, as yields on municipal bonds decreased during the period. (Duration measures sensitivity to interest rate movements). Positions in the utilities and transportation sectors were an additional positive factor in performance. The Fund also benefited from the use of leverage, which enabled it to increase its income and capitalize on the market's positive price performance.

The Fund's absolute performance was negatively affected by its positions in Chicago general obligation and related securities, as well as New Jersey state-appropriated credits. The yield spreads on these securities rose significantly, as prices fell, due to concerns about pensions and credit rating downgrades. The Fund's use of U.S. Treasury futures contracts to manage interest rate risk also had a slightly negative impact on performance given that bond yields declined during the reporting 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.

## BlackRock MuniYield Quality Fund III, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$ 14.04	\$ 13.46	4.31%	\$ 14.90	\$ 13.45
Net Asset Value	\$ 14.79	\$ 14.84	(0.34)%	\$ 15.58	\$ 14.61

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/15	7/31/14
Transportation	24%	25%
County/City/Special District/School District	18	20
State	17	16
Utilities	16	19
Health	11	9
Education	9	8
Corporate	2	1
Housing	2	2
Tobacco	1	

For Fund compliance purposes, the Fund's sector classifications refer to 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>

	7/31/15	7/31/14
AAA/Aaa	9%	12%
AA/Aa	65	65
A	20	21
BBB/Baa	6	2

<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,

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2015	1%
2016	4
2017	15
2018	21
2019	13

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

\* Excludes short-term securities.

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## Schedule of Investments July 31, 2015

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Alabama 2.1%</b>		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC), 6.00%, 6/01/39	\$ 5,225	\$ 5,975,728
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	940	1,052,546
		7,028,274
<b>California 27.3%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	5,050	5,642,163
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	2,865	3,396,572
City & County of San Francisco California Airports Commission, ARB, Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	1,070	1,075,104
City & County of San Francisco California Airports Commission, Refunding ARB, 2nd Series A, AMT: 5.50%, 5/01/28	1,800	2,112,210
5.25%, 5/01/33	1,410	1,590,424
City & County of San Francisco California Airports Commission, Refunding RB, Series A, AMT, 5.00%, 5/01/44	1,860	2,011,776
City of San Jose California, Refunding ARB, Series A-1, AMT, 5.50%, 3/01/30	4,045	4,545,730
City of Sunnyvale California, Refunding RB, 5.25%, 4/01/40	2,800	3,161,116
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41	3,500	3,890,110
County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/18 (a)	3,175	3,605,657
Emery Unified School District, GO, Election of 2010, Series A (AGM), 5.50%, 8/01/35	1,875	2,232,544
Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33	2,445	2,878,890
Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC), 5.00%, 8/01/17 (a)	5,000	5,438,600
Election of 2008, Series C, 5.25%, 8/01/39	2,000	2,328,780
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	1,675	1,839,133
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34	2,670	3,117,412
Riverside County Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/40	4,500	5,114,925
Sequoia Union High School District, GO, Refunding, Election of 2004, Series B (AGM), 5.50%, 7/01/16 (a)	5,190	5,437,822
	<b>Par</b>	
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>California (concluded)</b>		
State of California, GO, Various Purpose, 5.00%, 4/01/43	\$ 4,500	\$ 5,027,175
State of California Public Works Board, LRB, Various Capital Projects, Series I: 5.50%, 11/01/30	5,000	5,984,000
5.50%, 11/01/31	3,130	3,725,701
5.50%, 11/01/33	3,000	3,566,340
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	1,260	1,467,031
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	940	1,101,492
University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38	7,580	8,665,911
		88,956,618
<b>Colorado 2.1%</b>		
City & County of Denver Colorado Airport System, ARB, Series A, AMT: 5.50%, 11/15/28	1,500	1,738,275
5.50%, 11/15/30	565	649,609
5.50%, 11/15/31	675	771,889
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26	3,300	3,696,099

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		6,855,872
<b>Florida 20.4%</b>		
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	405	468,966
City of St. Petersburg Florida Public Utility Revenue, Refunding RB (NPFGC), 5.00%, 10/01/15 (a)	3,000	3,024,270
County of Broward Florida Airport System, ARB, Series A, AMT, 5.13%, 10/01/38	5,665	6,183,347
County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29	2,995	3,421,698
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	2,500	2,770,350
County of Miami-Dade Florida, RB, Seaport: Series A, 5.38%, 10/01/33	1,765	1,989,543
Series A, 5.50%, 10/01/42	3,000	3,434,310
Series B, AMT, 6.25%, 10/01/38	800	976,672
Series B, AMT, 6.00%, 10/01/42	1,060	1,241,832
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29	3,130	3,636,622
County of Miami-Dade Florida Aviation, Refunding ARB, AMT, Series A: Miami International Airport (AGM), 5.25%, 10/01/41	4,610	5,015,911

## Portfolio Abbreviations

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

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>		
County of Miami-Dade Florida Aviation, Refunding ARB, AMT, Series A (concluded):		
Miami International Airport (AGM), 5.50%, 10/01/41	\$ 4,180	\$ 4,633,781
5.00%, 10/01/31	5,155	5,731,535
5.00%, 10/01/32	5,000	5,511,350
County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 8/01/34	7,600	8,474,836
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	1,805	2,064,884
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36	6,965	7,963,224
		66,543,131
<b>Hawaii 0.7%</b>		
State of Hawaii, Department of Transportation, COP, AMT:		
5.25%, 8/01/25	740	863,232
5.25%, 8/01/26	1,205	1,393,715
		2,256,947
<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	2,293,060
Series C, 6.50%, 1/01/41	9,085	10,915,082
City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A:		
5.00%, 1/01/41	1,140	1,199,109
AMT, 5.50%, 1/01/28	1,000	1,128,230
AMT, 5.50%, 1/01/29	1,500	1,684,020
AMT, 5.38%, 1/01/33	2,000	2,183,640
City of Chicago Illinois Transit Authority, RB:		
Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 6/01/26	3,400	3,793,210
Sales Tax Receipts, 5.25%, 12/01/36	2,940	3,125,044
Sales Tax Receipts, 5.25%, 12/01/40	1,500	1,578,180
Sales Tax Receipts, 5.00%, 12/01/44	2,355	2,462,058
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	2,985	3,062,252
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.25%, 12/01/30	1,270	1,442,161
5.50%, 12/01/38	1,980	2,259,378
5.25%, 12/01/43	5,500	6,106,265
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	2,350	2,714,414
6.00%, 6/01/28	670	788,530
State of Illinois, GO:		
5.25%, 2/01/31	1,495	1,559,524
5.25%, 2/01/32	2,320	2,410,225
5.50%, 7/01/33	1,000	1,075,590
5.50%, 7/01/38	700	741,853
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28	2,500	2,778,150
		55,299,975
<b>Indiana 1.0%</b>		
Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 7/01/40	460	481,082
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,370	2,669,355
		3,150,437
	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Louisiana 1.4%</b>		

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Lake Charles Harbor & Terminal District, RB, Series B, AMT, 5.50%, 1/01/29	\$ 2,225	\$ 2,503,748
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29	2,020	2,218,041
		4,721,789
<b>Massachusetts 0.5%</b>		
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	1,500	1,550,565
<b>Michigan 2.3%</b>		
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	3,420	3,736,521
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)	3,115	3,801,795
		7,538,316
<b>Minnesota 0.7%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	1,975	2,258,926
<b>Mississippi 1.3%</b>		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	2,405	3,072,700
Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38	1,000	1,136,130
		4,208,830
<b>Nebraska 1.0%</b>		
Omaha Public Power District, Refunding RB, Series A, 5.25%, 2/01/46	3,000	3,423,630
<b>Nevada 2.8%</b>		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	3,210	3,595,425
County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38	5,000	5,440,800
		9,036,225
<b>New Jersey 5.2%</b>		
New Jersey EDA, RB, The Goethals Bridge Replacement Project, AMT: 5.38%, 1/01/43	1,940	2,077,973
(AGM), 5.00%, 1/01/31	1,355	1,491,137
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38	3,400	3,755,504
New Jersey Transportation Trust Fund Authority, RB, Transportation System: Series A, 5.50%, 6/15/41	3,030	3,193,529
Series A (AGC), 5.63%, 12/15/28	2,930	3,340,171
Series AA, 5.50%, 6/15/39	3,040	3,258,211
		17,116,525
<b>New York 7.8%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution, Series EE: Fiscal 2009, 5.25%, 6/15/40	6,930	7,833,672
Water & Sewer System, 5.38%, 6/15/43	2,220	2,595,669
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, 5.75%, 2/15/47	940	1,070,359
Metropolitan Transportation Authority, RB: Series A, 5.25%, 11/15/38	8,500	9,762,080
Series A-1, 5.25%, 11/15/39	1,550	1,765,140
Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36	2,000	2,253,840
		25,280,760

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>Ohio 0.9%</b>		
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/31	\$ 2,500	\$ 2,869,700
<b>Pennsylvania 3.2%</b>		
Pennsylvania Economic Development Financing Authority, RB, The Pennsylvania Rapid Bridge Replacement Project, AMT:		
5.00%, 12/31/34	2,000	2,142,500
5.00%, 12/31/38	1,880	2,000,376
5.00%, 6/30/42	2,000	2,094,220
Township of Bristol Pennsylvania School District, GO:		
5.25%, 6/01/37	2,500	2,837,675
5.25%, 6/01/43	1,100	1,238,864
		10,313,635
<b>South Carolina 4.1%</b>		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	3,760	4,325,692
County of Charleston South Carolina Airport District, ARB, Series A, AMT:		
6.00%, 7/01/38	2,940	3,395,906
5.50%, 7/01/41	2,500	2,788,125
State of South Carolina Public Service Authority, Refunding RB, Series A:		
5.50%, 1/01/19 (a)	200	229,936
5.50%, 1/01/38	2,300	2,577,495
		13,317,154
<b>Texas 18.9%</b>		
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	2,345	2,664,670
City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35	6,700	7,877,860
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC):		
6.50%, 1/01/19 (a)	620	728,760
6.50%, 7/01/37	2,380	2,699,872
Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38	4,555	5,054,957
Dallas-Fort Worth International Airport, ARB, Joint Improvement, AMT:		
Series A, 5.00%, 11/01/38	1,615	1,715,049
Series H, 5.00%, 11/01/37	1,810	1,930,763
Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33	2,155	2,507,105
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	7,000	8,247,960
North Texas Tollway Authority, Refunding RB, 1st Tier System:		
Series A (NPFGC), 5.63%, 1/01/33	10,975	11,955,068
Series A (NPFGC), 5.75%, 1/01/40	11,575	12,694,650
Series B (NPFGC), 5.75%, 1/01/40	1,000	1,096,730
Series K-2 (AGC), 6.00%, 1/01/38	1,000	1,135,350
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	1,070	1,217,286
		61,526,080
<b>Virginia 1.1%</b>		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	945	1,038,338
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	2,195	2,595,192
		3,633,530
	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Washington 1.5%</b>		
City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36	\$ 2,400	\$ 2,709,552
State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36	1,865	2,160,472

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		4,870,024
<b>Total Municipal Bonds</b>	<b>123.3%</b>	<b>401,756,943</b>
<b>Municipal Bonds Transferred to</b>		
<b>Tender Option Bond Trusts (b)</b>		
<b>Colorado 3.1%</b>		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-3 (AGM), 5.10%, 10/01/41	9,410	9,928,961
<b>District of Columbia 0.6%</b>		
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/18 (a)(c)	1,699	1,963,340
<b>Florida 4.5%</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	583	590,692
County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 6.00%, 7/01/38	12,500	14,158,750
		14,749,442
<b>Illinois 3.6%</b>		
City of Chicago Illinois, ARB, O Hare International Airport, Series A (AGM), 5.00%, 1/01/38	5,000	5,315,500
City of Chicago Illinois, Refunding RB, Waterworks, 2nd Lien (AGM), 5.25%, 11/01/33	3,967	4,262,581
State of Illinois Toll Highway Authority, RB, Senior Series A, 5.00%, 1/01/40	1,980	2,194,077
		11,772,158
<b>Kentucky 0.8%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	2,304	2,592,989
<b>Nevada 6.4%</b>		
County of Clark Nevada Water Reclamation District, GO:		
Limited Tax, 6.00%, 7/01/18 (a)	10,000	11,452,300
Series B, 5.50%, 7/01/29	8,247	9,449,833
		20,902,133
<b>New Jersey 1.7%</b>		
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	3,861	4,072,420
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (c)	1,500	1,573,531
		5,645,951
<b>New York 7.0%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF, 5.00%, 6/15/45	5,958	6,545,418
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	2,300	2,557,364
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	7,515	8,629,700

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 (concluded)</b>		
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (c)	\$ 4,400	\$ 5,072,232
		22,804,714
<b>Texas 1.5%</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	4,692,794
<b>Utah 0.8%</b>		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	2,503	2,725,387
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 30.0%</b>		97,777,869
<b>Total Long-Term Investments (Cost \$455,499,220) 153.3%</b>		499,534,812
<b>Short-Term Securities</b>	<b>Shares</b>	<b>Value</b>
FFI Institutional Tax-Exempt Fund, 0.01% (d)(e)	5,506,208	\$ 5,506,208
<b>Total Short-Term Securities (Cost \$5,506,208) 1.7%</b>		5,506,208
<b>Total Investments (Cost \$461,005,428) 155.0%</b>		505,041,020
<b>Other Assets Less Liabilities 1.1%</b>		3,679,993
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (15.9)%</b>		(51,809,877)
<b>VMTP Shares, at Liquidation Value (40.2)%</b>		(131,000,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 325,911,136

## 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 Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts.
- (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 or in the event of a default on the security. In the case of a shortfall or default, 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 \$4,822,876.
- (d) During the year ended July 31, 2015, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliate	Shares Held at July 31, 2014	Net Activity	Shares Held at July 31, 2015	Income
FFI Institutional Tax-Exempt Fund	4,174,381	1,331,827	5,506,208	\$ 1,843

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

## Derivative Financial Instruments Outstanding as of July 31, 2015

Financial Futures Contracts					
Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
Short (228)	10-Year U.S. Treasury Note	Chicago Board of Trade	September 2015	\$ 29,055,750	\$ (35,956)

## Derivative Financial Instruments Categorized by Risk Exposure

The following is a summary of the Fund's derivative financial instruments categorized by risk exposure. For information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

As of July 31, 2015, the fair values of derivative financial instruments were as follows:

Statement of Assets and Liabilities		Location	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Total
<b>Derivative Financial Instruments</b>		<b>Liabilities</b>						
Financial futures contracts	Net unrealized depreciation <sup>1</sup>						\$ 35,956	\$ 35,956

<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contract, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

For the year ended July 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
<b>Net Realized Gain (Loss) from:</b>						
Financial futures contracts					\$ (1,137,324)	\$ (1,137,324)

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>						
Financial futures contracts					\$ (125,896)	\$ (125,896)

For the year ended July 31, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

Financial futures contracts:						
Average notional value of contracts	short					\$ 40,451,469

**Fair Value Hierarchy as of July 31, 2015**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 3 of the Notes to Financial Statements.

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 499,534,812		\$ 499,534,812
Short-Term Securities	\$ 5,506,208			5,506,208
<b>Total</b>	\$ 5,506,208	\$ 499,534,812		\$ 505,041,020

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

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (35,956)			\$ (35,956)

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<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, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 307,800			\$ 307,800
<b>Liabilities:</b>				
TOB Trust Certificates		\$ (51,794,593)		(51,794,593)
VMTP Shares		(131,000,000)		(131,000,000)
<b>Total</b>	\$ 307,800	\$ (182,794,593)		\$ (182,486,793)

During the year ended July 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.



## Schedule of Investments July 31, 2015

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

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>California 91.5%</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	\$ 2,800,007
<b>County/City/Special District/School District 30.7%</b>		
Centinela Valley Union High School District, GO, Refunding, Election of 2008, Series B, 6.00%, 8/01/36	2,250	2,759,243
City & County of San Francisco California, COP, Port Facilities Project, Series C, AMT, 5.25%, 3/01/32	1,050	1,191,624
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	2,000	2,300,880
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/35	2,500	2,784,050
County of Orange California Water District, COP, Refunding, 5.25%, 8/15/34	9,045	10,368,103
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	2,755	3,316,386
Covina-Valley Unified School District, GO, Election of 2012, Series B, 5.00%, 8/01/44	6,250	7,024,062
Fremont Union High School District, GO, Refunding, 4.00%, 8/01/40	5,000	5,098,550
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/37	2,725	3,110,342
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/21 (a)	2,500	3,148,075
Grossmont Union High School District, GO, Election of 2008, Series C, 5.50%, 8/01/33	1,880	2,160,797
Kern Community College District, GO, Safety Repair & Improvements, Series C, 5.25%, 11/01/32	5,715	6,630,200
Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 4/01/39	2,075	2,342,447
Mount San Antonio Community College District, GO, Refunding, Election of 2008, Series 2013 A, 5.00%, 8/01/34	4,500	5,163,480
Ohlone Community College District, GO, Election of 2010, Series A, 5.25%, 8/01/41	8,140	9,441,830
Orchard School District, GO, Election of 2001, Series A (AGC), 5.00%, 8/01/34	7,490	8,463,625
Oxnard Union High School District California, GO, Refunding, Series A (NPFGC), 6.20%, 8/01/30	9,645	10,432,900
Pittsburg Unified School District, GO, Election of 2006, Series B (AGM):		
5.50%, 8/01/34	2,000	2,239,720
5.63%, 8/01/18 (a)	4,500	5,135,625
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,530,850
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34	7,000	7,026,810
San Jose California Financing Authority, Series A, LRB, Convention Center Expansion & Renovation Project:		
5.75%, 5/01/36	2,570	2,659,308
5.75%, 5/01/42	4,500	5,314,770
San Jose California Financing Authority, Refunding LRB:		
Civic Center Project, 5.00%, 6/01/32	3,375	3,830,355
Convention Center Expansion & Renovation Project, 5.00%, 6/01/39	5,800	6,509,514
San Juan Unified School District, GO, Election of 2002 (AGM), 5.00%, 8/01/34	6,475	7,342,909
San Leandro California Unified School District, GO, Election of 2010, Series A, 5.75%, 8/01/41	3,000	3,562,020
San Ramon Valley Unified School District, GO, Election of 2012, 4.00%, 8/01/40	1,665	1,695,270
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,600	6,443,920
	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
Walnut Valley Unified School District, GO, Election of 2007, Series B, 5.75%, 8/01/41	\$ 7,680	\$ 9,252,173
West Contra Costa California Unified School District, GO:		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	6,140	7,154,082
Election of 2010, Series B, 5.50%, 8/01/39	3,000	3,460,740
Election of 2012, Series A, 5.50%, 8/01/39	2,500	2,883,950
Yosemite Community College District, GO, Refunding, 5.00%, 8/01/32 (b)	3,500	4,077,885
		169,856,495
<b>Education 6.0%</b>		
California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,251,105
California State University, Refunding RB:		
Series A, 5.00%, 11/01/43 (b)	6,000	6,830,220
Series C (NPFGC), 5.00%, 11/01/15 (a)	6,000	6,072,840
Gavilan Joint Community College District, GO, Election of 2004, Series D:		
5.50%, 8/01/31	2,165	2,537,640
5.75%, 8/01/35	8,400	9,937,620

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University of California, RB, 5.25%, 5/15/36	3,680	4,337,137
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32,966,562

## Health 10.6%

### California Health Facilities Financing Authority, RB:

Children's Hospital, Series A, 5.25%, 11/01/41	10,000	11,057,000
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Providence Health Services, Series B, 5.50%, 10/01/39	4,205	4,794,078
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Sutter Health, Series A, 5.25%, 11/15/46	6,970	7,258,907
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Sutter Health, Series B, 6.00%, 8/15/42	7,715	9,146,441
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### California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A:

6.00%, 7/01/34	2,365	2,704,259
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6.00%, 7/01/39	5,500	6,280,065
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### California Statewide Communities Development Authority, RB:

Kaiser Permanente, Series B, 5.25%, 3/01/45	6,000	6,123,000
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Sutter Health, Series A, 6.00%, 8/15/42	4,700	5,572,038
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### California Statewide Communities Development Authority, Refunding RB:

Catholic Healthcare West, Series D (BHAC), 5.50%, 7/01/31	865	936,553
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Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	2,850	3,141,869
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Washington Township Health Care District, GO, Series B, 5.50%, 8/01/38	1,625	1,912,495
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58,926,705

## State 7.6%

### State of California, GO, Various Purposes:

6.00%, 3/01/33	5,500	6,638,335
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6.00%, 4/01/38	17,180	20,021,400
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6.00%, 11/01/39	3,510	4,175,461
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### State of California Public Works Board, LRB:

Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,339,885
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Various Capital Projects, Series I, 5.50%, 11/01/33	2,575	3,061,109
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Various Capital Projects, Sub-Series I-1, 6.13%, 11/01/29	3,365	4,015,118
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42,251,308

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 (continued)</b>		
<b>Transportation 15.1%</b>		
City & County of San Francisco California Airports Commission, ARB:		
Series E, 6.00%, 5/01/39	\$ 9,650	\$ 11,230,091
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	860	864,102
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.13%, 1/01/27	985	989,541
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,573,800
2nd Series 34E (AGM), 5.75%, 5/01/25	3,500	3,863,055
2nd Series A, 5.25%, 5/01/33	1,900	2,143,124
Series A, 5.00%, 5/01/39	6,175	6,712,287
City of Los Angeles California Department of Airports, ARB, Los Angeles International Airport, Sub-Series B, 5.00%, 5/15/40	2,500	2,814,400
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Senior Series A, 5.25%, 5/15/29	4,760	5,428,780
City of San Jose California, Refunding ARB, Series A-1, AMT, 6.25%, 3/01/34	1,400	1,646,316
County of Orange California, ARB, Series B, 5.75%, 7/01/34	5,000	5,437,250
County of Sacramento California, ARB:		
Senior Series B, AMT (AGM), 5.25%, 7/01/33	8,250	8,980,207
Subordinated & Passenger Facility Charges/Grant, Series C (AGC), 5.75%, 7/01/39	5,555	6,218,656
County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40	4,500	5,227,785
County of San Diego California Regional Airport Authority, Refunding ARB, Series B, 5.00%, 7/01/40	6,350	7,046,087
Los Angeles Harbor Department, RB, Series B:		
5.25%, 8/01/34	5,530	6,267,536
5.25%, 8/01/39	2,760	3,128,101
		83,571,118
<b>Utilities 21.0%</b>		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36	5,000	5,847,850
City of Los Angeles California Department of Water & Power, Refunding RB, Series A, 5.25%, 7/01/39	8,000	9,076,400
City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A, 5.00%, 6/01/28	2,000	2,307,300
City of San Francisco California Public Utilities Commission Water Revenue, RB, Sub-Series A, 5.00%, 11/01/37	10,000	11,463,700
City of San Francisco California Public Utilities Commission Water Revenue, Refunding RB, Series A:		
5.00%, 11/01/36	5,335	6,157,764
5.25%, 11/01/31	6,280	7,191,981
County of Riverside California Public Financing Authority, RB, Capital Facility Project, 5.25%, 11/01/45	10,000	11,302,500
County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/38	4,895	5,355,766
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41	4,000	4,756,880
East Bay California Municipal Utility District Water System Revenue, Refunding RB (a):		
Series A (NPFGC), 5.00%, 6/01/17	4,000	4,326,760
Sub-Series A (AGM), 5.00%, 6/01/17	5,000	5,408,450
East Bay California Municipal Utility District, Refunding RB, Sub-Series A, 5.00%, 6/01/30	5,000	5,776,850
	Par (000)	Value
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
<b>Utilities (concluded)</b>		
El Dorado Irrigation District / El Dorado County Water Agency, Refunding RB, Series A (AGM), 5.25%, 3/01/39	\$ 5,000	\$ 5,751,700
Imperial Irrigation District, Refunding RB, Electric System, 5.13%, 11/01/38	5,000	5,504,300
Los Angeles County Public Works Financing Authority, Refunding RB, Multiple Capital Projects, Series A, 5.00%, 12/01/44	2,045	2,289,071
Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37	15,000	16,069,350
San Diego Public Facilities Financing Authority Sewer, Refunding RB, Senior Series A, 5.25%, 5/15/34	2,000	2,269,200

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Santa Monica Community College District, GO, Series B, 5.00%, 8/01/44	5,000	5,669,700
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		116,525,522
<b>Total Municipal Bonds</b>	<b>91.5%</b>	506,897,717

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

### California 67.7%

#### County/City/Special District/School District 31.9%

Arcadia Unified School District California, GO, Election of 2006, Series A (AGM), 5.00%, 8/01/37	7,925	8,372,803
California Health Facilities Financing Authority, RB, Sutter Health, Series A, 5.00%, 8/15/52	10,000	10,969,600
County of San Luis Obispo Community College District, GO, Refunding, Election of 2014, Series A, 4.00%, 8/01/40	6,585	6,677,225
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	12,150	12,991,630
Los Angeles Community College District California, GO (a):		
Election of 2001, Series A (AGM), 5.00%, 8/01/17	12,000	13,052,640
Election of 2001, Series A (NPFGC), 5.00%, 8/01/17	26,438	28,756,631
Election of 2003, Series F-1, 5.00%, 8/01/18	12,000	13,465,680
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series C, 6.00%, 8/01/19 (a)	9,596	11,463,370
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,621,600
Palomar California Community College District, GO, Election of 2006, Series C, 5.00%, 8/01/44	15,140	17,192,833
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/16 (a)	10,000	10,471,000
San Francisco California Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30	19,630	19,705,772
West Valley-Mission Community College District, GO, Election of 2012, Series A, 4.00%, 8/01/40	17,000	17,843,880

176,584,664

### Education 12.4%

Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	12,485,660
University of California, RB:		
Limited Project, Series D (AGM), 5.00%, 5/15/16 (a)	8,000	8,379,840
Series AM, 5.25%, 5/15/44	9,210	10,638,471
Series O, 5.75%, 5/15/19 (a)	11,190	13,147,094

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

<b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>	<b>Par (000)</b>	<b>Value</b>
<b>California (continued)</b>		
<b>Education (concluded)</b>		
University of California, Refunding RB, Series I, 5.00%, 5/15/40	\$ 21,105	\$ 24,065,569
		68,716,634
<b>Health 3.9%</b>		
California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42	19,860	21,715,520
<b>Transportation 1.1%</b>		
City of Los Angeles California Department of Airports, RB, Senior Revenue, Series A, AMT, 5.00%, 5/15/40	5,500	6,091,910
<b>Utilities 18.4%</b>		
Anaheim Public Financing Authority, RB, Refunding, Series A: 5.00%, 5/01/39	6,000	6,730,680
5.00%, 5/01/46	13,500	15,053,715
City & County of San Francisco California Public Utilities Commission, RB, Water Revenue, Series B, 5.00%, 11/01/39	4,380	4,933,939
City of Los Angeles California Wastewater System, RB, Green Bonds, Series A, 5.00%, 6/01/44	6,290	7,141,855
Country of San Mateo Community College District, GO, Series A, 5.00%, 9/01/45	17,615	20,181,650
County of San Diego California Water Authority, COP, Refunding, Election of 2014, Series A (AGM), 5.00%, 5/01/33	8,510	9,323,130
East Bay California Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/17 (a)	7,990	8,642,703
	<b>Par</b>	
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>	<b>(000)</b>	<b>Value</b>
<b>California (concluded)</b>		
<b>Utilities (concluded)</b>		
Los Angeles Department of Water & Power, RB, Power System: Sub-Series A-1 (AGM), 5.00%, 7/01/37	\$ 13,525	\$ 14,515,931
Sub-Series A-1 (AMBAC), 5.00%, 7/01/37	5,029	5,397,776
Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34	9,277	10,218,672
		102,140,051
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 67.7%</b>		375,248,779
<b>Total Long-Term Investments (Cost \$823,245,371) 159.2%</b>		882,146,496
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF California Municipal Money Fund, 0.00% (d)(e)	12,279,624	12,279,624
<b>Total Short-Term Securities (Cost \$12,279,624) 2.2%</b>		12,279,624
<b>Total Investments (Cost \$835,524,995) 161.4%</b>		894,426,120
<b>Liabilities in Excess of Other Assets (0.1)%</b>		(1,258,448)
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (31.2)%</b>		(172,607,309)
<b>VRDP Shares, at Liquidation Value (30.1)%</b>		(166,500,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 554,060,363

Notes to Schedule of Investments

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

Counterparty	Value	Unrealized Appreciation
Merrill Lynch, Pierce, Fenner & Smith, Inc.	\$ 6,830,220	\$ 50,640
Stifel Nicolaus & Co.	\$ 4,077,885	\$ 19,670

(c) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts.

(d) During the year ended July 31, 2015, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliate	Shares Held at July 31, 2014	Net Activity	Shares Held at July 31, 2015	Income	Realized Gain
BIF California Municipal Money Fund	1,241,242	11,038,382	12,279,624	\$ 2	\$ 106

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

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

### Derivative Financial Instruments Outstanding as of July 31, 2015

#### Financial Futures Contracts

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
Short (100)	10-Year U.S. Treasury Note	Chicago Board of Trade	September 2015	\$ 12,743,750	\$ (43,114)

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniYield California Quality Fund, Inc. (MCA)

**Derivative Financial Instruments Categorized by Risk Exposure**

The following is a summary of the Fund's derivative financial instruments categorized by risk exposure. For information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

As of July 31, 2015, the fair values of derivative financial instruments were as follows:

					Foreign					
					Currency	Interest				
					Commodity	Credit	Equity	Exchange	Rate	
Statement of Assets and Liabilities		Location	Contracts	Contracts	Contracts	Contracts	Contracts			Total
Derivative Financial Instruments Liabilities										
Financial futures contracts		Net unrealized depreciation <sup>1</sup>							\$ 43,114	\$ 43,114

<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contract, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

					Foreign	
					Currency	Interest
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
Net Realized Gain (Loss) from:						
Financial futures contracts					\$ (944,153)	\$ (944,153)

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
Net Change in Unrealized Appreciation (Depreciation) on:						
Financial futures contracts					\$ (127,871)	\$ (127,871)

For the year ended July 31, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

Financial futures contracts:							
Average notional value of contracts	short						\$ 42,220,723

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## Fair Value Hierarchy as of July 31, 2015

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 3 of the Notes to Financial Statements.

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 882,146,496		\$ 882,146,496
Short-Term Securities	\$ 12,279,624			12,279,624
<b>Total</b>	\$ 12,279,624	\$ 882,146,496		\$ 894,426,120

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

	Level 1	Level 2	Level 3	Total
<b>Derivative Financial Instruments<sup>2</sup></b>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (43,114)			\$ (43,114)

<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, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 135,000			\$ 135,000
<b>Liabilities:</b>				
TOB Trust Certificates		\$ (172,574,311)		(172,574,311)
VRDP Shares		(166,500,000)		(166,500,000)
<b>Total</b>	\$ 135,000	\$ (339,074,311)		\$ (338,939,311)

During the year ended July 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.



## Schedule of Investments July 31, 2015

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan 136.3%</b>		
<b>Corporate 2.8%</b>		
County of Monroe EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22	\$ 3,805	\$ 4,922,605
<b>County/City/Special District/School District 25.7%</b>		
Anchor Bay School District, GO, Refunding (Q-SBLF):		
4.38%, 5/01/27	640	685,152
4.50%, 5/01/29	605	645,983
Berkley School District, GO, School Building & Site (Q-SBLF), 5.00%, 5/01/35	1,125	1,262,329
Charter Township of Canton Michigan, GO, Capital Improvement (AGM):		
5.00%, 4/01/25	1,250	1,331,612
5.00%, 4/01/26	1,250	1,332,250
5.00%, 4/01/27	500	530,160
City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30	600	616,524
Columbia Michigan School District, GO, Unlimited Tax, School Building & Site (Q-SBLF), 5.00%, 5/01/38	1,970	2,199,505
Comstock Park Public Schools, GO, School Building & Site, Series B (Q-SBLF):		
5.50%, 5/01/36	450	516,200
5.50%, 5/01/41	830	950,201
County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19	400	404,128
Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 5/01/39	2,000	2,238,300
Dearborn School District, GO, Series A (Q-SBLF):		
5.00%, 5/01/32	570	645,177
5.00%, 5/01/33	610	689,977
5.00%, 5/01/34	455	512,894
Farmington Public School District, GO, Refunding, School Building & Site (AGM):		
5.00%, 5/01/33	570	638,582
5.00%, 5/01/34	570	636,587
5.00%, 5/01/35	380	422,408
Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%, 10/01/41	1,880	1,998,741
Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF):		
5.50%, 5/01/32	400	465,600
5.50%, 5/01/36	800	917,688
5.50%, 5/01/41	1,000	1,144,820
Grandville Public Schools, GO, School Building & Site (Q-SBLF), Series II, 5.00%, 5/01/40	1,235	1,350,522
Harper Creek Community School District Michigan, GO, Refunding (AGM) (Q-SBLF), 5.00%, 5/01/22	1,000	1,003,910
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	2,650	2,895,257
Jonesville Community Schools Michigan, GO, Refunding (NPFGC) (Q-SBLF), 5.00%, 5/01/29	1,085	1,088,515
Lincoln Consolidated School District Michigan, GO, Refunding (NPFGC) (Q-SBLF), 4.63%, 5/01/28	1,675	1,717,897
Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 5/01/43	1,910	2,098,823
Mattawan Consolidated School District, GO, Series I (Q-SBLF), 5.00%, 5/01/39	1,280	1,425,075
Midland Public Schools, GO, School Building & Site, Series I (Q-SBLF), 5.00%, 5/01/34	380	427,724
Romulus Community Schools, GO, Unlimited Tax, Refunding (AGM) (Q-SBLF), 4.50%, 5/01/29	630	676,784
Roseville Community Schools, GO, Refunding (Q-SBLF):		
5.00%, 5/01/30	1,615	1,846,575
5.00%, 5/01/31	1,000	1,138,010
<b>Par</b>		
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>Michigan (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
Thornapple Kellogg School District Michigan, GO, Refunding, School Building & Site (NPFGC) (Q-SBLF), 5.00%, 5/01/17 (a)	\$ 1,500	\$ 1,614,090
Troy School District, GO (Q-SBLF), 5.00%, 5/01/28	760	874,920
Van Dyke Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/28	750	817,147
Walled Lake Consolidated School District, GO (Q-SBLF):		
5.00%, 5/01/37	1,080	1,209,946

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5.00%, 5/01/40	1,000	1,111,930
5.00%, 5/01/43	1,530	1,693,159
Zeeland Public Schools, GO, School Building & Site, Series A (AGM):		
5.00%, 5/01/33	380	423,069
5.00%, 5/01/34	380	421,747
5.00%, 5/01/35	380	420,432
		45,040,350
<b>Education 21.3%</b>		
City of Grand Rapids Michigan, EDC, RB, Ferris State University Project, Series A, 5.50%, 10/01/35		
	760	859,302
Ferris State University, Refunding RB, General (AGM):		
4.50%, 10/01/24	1,595	1,746,908
4.50%, 10/01/25	1,405	1,538,812
Michigan Finance Authority, Refunding RB:		
5.00%, 11/15/45	1,425	1,550,243
AMT, 4.00%, 11/01/28	3,325	3,320,711
AMT, 4.00%, 11/01/29	2,240	2,227,277
AMT, 4.00%, 11/01/30	1,080	1,065,183
AMT, 4.00%, 11/01/31	1,195	1,174,398
Michigan State University, Refunding RB, General:		
Series A, 5.00%, 8/15/41	3,035	3,385,330
Series C, 5.00%, 2/15/40	3,770	4,201,401
Series C, 5.00%, 2/15/44	1,000	1,114,430
Michigan Technological University, RB, General, Series A, 5.00%, 10/01/45	685	745,307
Michigan Technological University, Refunding RB, Series A, 5.00%, 10/01/34	810	907,233
Oakland University, RB, General:		
5.00%, 3/01/32	400	437,704
Series A, 5.00%, 3/01/38	715	788,373
Series A, 5.00%, 3/01/43	2,980	3,262,921
University of Michigan, RB, Series A, 5.00%, 4/01/39	1,300	1,476,891
Wayne State University, RB, Series A, 5.00%, 11/15/40	1,000	1,107,820
Western Michigan University, Refunding RB, General, University and College Improvements:		
5.25%, 11/15/40	1,400	1,545,460
5.25%, 11/15/43	3,220	3,634,575
(AGM), 5.25%, 11/15/33	380	430,095
(AGM), 5.00%, 11/15/39	665	732,178
		37,252,552
<b>Health 35.9%</b>		
Grand Traverse County Hospital Finance Authority, RB, Series A:		
5.00%, 7/01/44	2,230	2,390,605
5.00%, 7/01/47	835	893,200
Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36	2,750	2,952,812
Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A, 5.00%, 11/15/29	3,000	3,370,680
Michigan Finance Authority, RB, Sparrow Obligated Group, 5.00%, 11/15/36	950	1,018,181
Michigan Finance Authority, Refunding RB:		
5.00%, 6/01/39	570	617,772
Hospital, McLaren Health Care, 5.00%, 5/15/32	385	429,117

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan (continued)</b>		
<b>Health (concluded)</b>		
Michigan Finance Authority, Refunding RB (concluded):		
Hospital, McLaren Health Care, 5.00%, 5/15/33	\$ 760	\$ 842,452
Hospital, McLaren Health Care, 5.00%, 5/15/34	575	636,882
Hospital, McLaren Health Care, 5.00%, 5/15/34	1,900	2,104,478
Hospital, McLaren Health Care, 5.00%, 5/15/35	1,875	2,070,300
Hospital, Oakwood Obligated Group, 5.00%, 8/15/31	570	621,528
Trinity Health Credit Group, 5.00%, 12/01/31	1,900	2,122,281
Trinity Health Credit Group, 5.00%, 12/01/35	2,400	2,653,032
Trinity Health Credit Group, 5.00%, 12/01/39	1,650	1,814,010
Michigan State Hospital Finance Authority, RB:		
Ascension Health Senior Credit Group, 5.00%, 11/15/25	2,300	2,574,942
MidMichigan Obligated Group, Series A, 5.00%, 4/15/16 (a)	380	392,563
Trinity Health Credit, Series A, 5.00%, 12/01/16 (a)	855	905,838
Michigan State Hospital Finance Authority, Refunding RB:		
Henry Ford Health, 5.75%, 11/15/39	1,200	1,357,104
Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (a)	6,210	6,730,274
Hospital, Sparrow Obligated Group, 5.00%, 11/15/17 (a)	1,130	1,238,299
Hospital, Sparrow Obligated Group, 5.00%, 11/15/31	465	492,286
McLaren Health Care, Series A, 5.75%, 5/15/18 (a)	1,500	1,699,500
McLaren Health Care, Series A, 5.00%, 6/01/35	860	942,689
Trinity Health Credit Group, 6.50%, 12/01/18 (a)	1,105	1,303,789
Trinity Health Credit Group, 6.50%, 12/01/33	295	339,041
Trinity Health Credit Group, Series A, 6.13%, 12/01/18 (a)	940	1,097,582
Trinity Health Credit Group, Series A, 6.25%, 12/01/18 (a)	570	667,886
Trinity Health Credit Group, Series C, 4.00%, 12/01/32	2,450	2,505,811
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital:		
Series D, 5.00%, 9/01/39	13,230	14,242,492
Series V, 8.25%, 9/01/18 (a)	1,000	1,220,480
Series W, 6.00%, 8/01/19 (a)	575	683,175
		62,931,081
<b>Housing 5.9%</b>		
Michigan State HDA, RB:		
Deaconess Tower, AMT (Ginnie Mae), 5.25%, 2/20/48	1,000	1,009,750
Series A, 4.75%, 12/01/25	2,605	2,772,059
Series A, 4.45%, 10/01/34	380	389,659
Series A, 4.63%, 10/01/39	1,325	1,363,266
Series A, 4.30%, 10/01/40	1,260	1,270,395
Series A, 4.75%, 10/01/44	1,900	1,957,741
Michigan State HDA, Refunding RB, Series A, 6.05%, 10/01/41	1,375	1,486,650
		10,249,520
<b>State 15.5%</b>		
Michigan Finance Authority, Refunding RB, Detroit Regional Convention Facility Authority Local		
Project Bonds, 5.00%, 10/01/39	2,050	2,258,833
Michigan Strategic Fund, RB, Michigan Senate Offices Project, Series A, 5.25%, 10/15/40	1,140	1,275,614
Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%, 10/15/31	2,650	2,994,606
<b>Michigan (concluded)</b>		
<b>State (concluded)</b>		
State of Michigan Building Authority, RB, Local Government Loan Program, Series F,		
5.25%, 10/01/41	\$ 2,510	\$ 2,682,663
State of Michigan Building Authority, Refunding RB, Facilities Program:		
Series I, 6.25%, 10/15/18 (a)	2,350	2,686,684
Series I, 5.00%, 10/15/45 (b)	2,600	2,873,338
Series I (AGC), 5.25%, 10/15/24	2,000	2,279,420
Series I (AGC), 5.25%, 10/15/25	1,500	1,704,345

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Series I (AGC), 5.25%, 10/15/26	400	453,552
Series I-A, 5.50%, 10/15/45	750	838,298
Series II (AGM), 5.00%, 10/15/26	3,000	3,371,490
State of Michigan Trunk Line Fund, RB:		
5.00%, 11/15/33	1,150	1,319,142
5.00%, 11/15/36	2,220	2,495,014
		27,232,999
<b>Transportation 13.4%</b>		
State of Michigan, RB, GAB (AGM), 5.25%, 9/15/27	3,250	3,538,015
Wayne County Airport Authority, RB, Detroit Metropolitan Wayne County Airport, AMT (NPFGC):		
5.25%, 12/01/25	3,730	3,785,652
5.25%, 12/01/26	3,700	3,755,204
5.00%, 12/01/34	3,550	3,592,565
5.00%, 12/01/39	560	604,139
Wayne County Airport Authority, Refunding RB, AMT (AGC):		
5.75%, 12/01/26	3,060	3,422,885
5.38%, 12/01/32	4,300	4,710,306
		23,408,766
<b>Utilities 15.8%</b>		
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 7/01/39	1,010	1,077,417
City of Detroit Michigan Water Supply System, RB, Senior Lien, Series A (NPFGC), 5.00%, 7/01/34	915	917,974
City of Detroit Michigan Water Supply System, Refunding RB, 2nd Lien, Series C (AGM), 5.00%, 7/01/29	6,275	6,407,528
City of Grand Rapids Michigan, Refunding RB, Series A (NPFGC), 5.50%, 1/01/22	1,500	1,726,410
City of Holland Michigan Electric Utility System, RB, Series A, 5.00%, 7/01/39	3,575	4,003,821
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A:		
5.00%, 7/01/27	1,210	1,377,561
5.00%, 7/01/31	2,600	2,936,700
5.00%, 7/01/37	1,270	1,408,760
5.50%, 7/01/41	2,000	2,346,680
City of Port Huron Michigan, RB, Water Supply System:		
5.25%, 10/01/31	190	206,095
5.63%, 10/01/40	500	559,035
Michigan Finance Authority, Refunding RB, Senior Lien, Detroit Water and Sewer, Series C-3:		
5.00%, 7/01/31	380	419,953
5.00%, 7/01/32	1,995	2,195,158
5.00%, 7/01/33	1,140	1,250,740
Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund, Pooled Project, 5.00%, 10/01/27	760	874,996
		27,708,828
<b>Total Municipal Bonds in Michigan</b>		238,746,701

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Guam 3.2%</b>		
State 3.2%		
Territory of Guam, RB:		
Business Privilege Tax Bonds, Series A, 5.25%, 1/01/36	\$ 310	\$ 339,996
Business Privilege Tax Bonds, Series A, 5.13%, 1/01/42	3,390	3,653,539
Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/32	570	623,882
Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/37	30	32,583
Limited Obligation Bonds, Section 30, Series A, 5.63%, 12/01/29	850	940,363
<b>Total Municipal Bonds in Guam</b>		<b>5,590,363</b>
<b>U.S. Virgin Islands 2.0%</b>		
State 2.0%		
Virgin Islands Public Finance Authority, Refunding RB, Series C, 5.00%, 10/01/39	3,395	3,607,663
<b>Total Municipal Bonds 141.5%</b>		<b>247,944,727</b>
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>		
<b>Michigan 15.6%</b>		
County/City/Special District/School District 4.3%		
Lakewood Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/17		
(a)	4,154	4,470,399
Portage Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/31	2,850	3,076,546
		7,546,945
<b>Michigan (concluded)</b>		
<b>Education 11.3%</b>		
Michigan State University, Refunding RB, General, Series A, 5.00%, 8/15/38	\$ 3,780	\$ 4,247,473
Saginaw Valley State University, Refunding RB, General (AGM), 5.00%, 7/01/31	2,500	2,716,275
Wayne State University, RB, General, Series A, 5.00%, 11/15/40	3,810	4,220,794
Wayne State University, Refunding RB, General (AGM), 5.00%, 11/15/35	7,793	8,545,482
		19,730,024
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 15.6%</b>		<b>27,276,969</b>
<b>Total Long-Term Investments</b>		
(Cost \$258,465,807) 157.1%		275,221,696
<b>Short-Term Securities</b>	<b>Shares</b>	
FFI Institutional Tax-Exempt Fund, 0.01% (d)(e)	1,272,243	1,272,243
<b>Total Short-Term Securities</b>		
(Cost \$1,272,243) 0.7%		1,272,243
<b>Total Investments (Cost \$259,738,050) 157.8%</b>		<b>276,493,939</b>
<b>Liabilities in Excess of Other Assets (0.3)%</b>		<b>(507,476)</b>
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (7.7)%</b>		<b>(13,496,013)</b>
<b>VRDP Shares, at Liquidation Value (49.8)%</b>		<b>(87,300,000)</b>
<b>Net Assets Applicable to Common Shares 100.0%</b>		<b>\$ 175,190,450</b>

Notes to Schedule of Investments

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

Counterparty	Value	Unrealized Appreciation
JP Morgan Securities LLC	\$ 2,873,338	\$ 11,024

(c) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts.

(d) During the year ended July 31, 2015, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliate	Shares Held at July 31, 2014	Net Activity	Shares Held at July 31, 2015	Income
BIF Michigan Municipal Money Fund	2,269,658	(2,269,658)		
FFI Institutional Tax-Exempt Fund		1,272,243	1,272,243	\$ 2,172

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

For Fund compliance purposes, the Fund's sector classifications refer to 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.

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

## Derivative Financial Instruments Outstanding as of July 31, 2015

## Financial Futures Contracts

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
Short (24)	10-Year U.S. Treasury Note	Chicago Board of Trade	September 2015	\$ 3,058,500	\$ (8,097)

## Derivative Financial Instruments Categorized by Risk Exposure

The following is a summary of the Fund's derivative financial instruments categorized by risk exposure. For information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

As of July 31, 2015, the fair values of derivative financial instruments were as follows:

	Statement of Assets and Liabilities Location	Commodity	Credit	Equity	Foreign		Total
					Currency	Interest	
		Contracts	Contracts	Contracts	Contracts	Contracts	
<b>Derivative Financial Instruments</b>	<b>Liabilities</b>						
Financial futures contracts	Net unrealized depreciation <sup>1</sup>					\$ 8,097	\$ 8,097

<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contract, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity	Credit	Equity	Foreign		Total
				Currency	Interest	
	Contracts	Contracts	Contracts	Contracts	Contracts	
<b>Net Realized Gain (Loss) from:</b>						
Financial futures contracts					\$ (22,812)	\$ (22,812)

	Commodity	Credit	Equity	Foreign		Total
				Currency	Interest	
	Contracts	Contracts	Contracts	Contracts	Contracts	

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## Net Change in Unrealized Appreciation

### (Depreciation) on:

Financial futures contracts \$ (29,511) \$ (29,511)

For the year ended July 31, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

Financial futures contracts:

Average notional value of contracts short \$ 9,136,086

## Fair Value Hierarchy as of July 31, 2015

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 3 of the Notes to Financial Statements. The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 275,221,696		\$ 275,221,696
Short-Term Securities	\$ 1,272,243			1,272,243
<b>Total</b>	\$ 1,272,243	\$ 275,221,696		\$ 276,493,939

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

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (8,097)			\$ (8,097)

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

See Notes to Financial Statements.



## Schedule of Investments (concluded)

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

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, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 32,400			\$ 32,400
<b>Liabilities:</b>				
TOB Trust Certificates		\$ (13,492,998)		(13,492,998)
VRDP Shares		(87,300,000)		(87,300,000)
<b>Total</b>	\$ 32,400	\$ (100,792,998)		\$ (100,760,598)

During the year ended July 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments July 31, 2015

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York 123.2%</b>		
<b>Corporate 3.4%</b>		
City of New York New York Industrial Development Agency, Refunding RB, AMT:		
Terminal One Group Association Project, 5.50%, 1/01/24 (a)	\$ 1,500	\$ 1,529,835
Transportation Infrastructure Properties LLC, Series A, 5.00%, 7/01/28	930	996,067
County of Suffolk New York Industrial Development Agency, RB, KeySpan Generation LLC, Port Jefferson, AMT, 5.25%, 6/01/27	4,000	4,015,520
New York Liberty Development Corp., RB, Goldman Sachs Headquarters, 5.25%, 10/01/35	6,750	7,879,140
New York State Energy Research & Development Authority, Refunding RB, Brooklyn Union Gas/Keyspan, Series A, AMT (NPFGC), 4.70%, 2/01/24	4,750	4,840,440
		19,261,002
<b>County/City/Special District/School District 28.4%</b>		
City of New York New York, GO, Sub-Series D-1, Series E:		
Fiscal 2012, 5.00%, 10/01/33	8,350	9,548,893
Fiscal 2014, 5.00%, 8/01/31	1,300	1,481,727
City of New York New York, GO, Refunding:		
Series I, 5.00%, 8/01/32	490	555,430
Fiscal 2014, 5.50%, 8/01/25	6,230	7,621,844
Fiscal 2014, 5.00%, 8/01/32	2,040	2,309,668
City of New York New York, GO:		
Series A-1, 5.00%, 8/01/35	1,950	2,213,815
Sub-Series A-1, 5.00%, 8/01/33	2,100	2,376,024
City of New York New York Convention Center Development Corp., RB, Hotel Unit Fee Secured (AMBAC), 5.00%, 11/15/35	30,600	30,978,828
City of New York New York Housing Development Corp., RB, Fund Grant Program, New York City Housing Authority Program, Series B1:		
5.25%, 7/01/32	6,865	7,780,585
5.00%, 7/01/33	1,675	1,855,917
City of New York New York Industrial Development Agency, RB, PILOT:		
CAB, Yankee Stadium Project, Series A (AGC), 0.00%, 3/01/39 (b)	5,000	1,765,200
CAB, Yankee Stadium Project, Series A (AGC), 0.00%, 3/01/43 (b)	4,330	1,257,649
Queens Baseball Stadium (AGC), 6.38%, 1/01/39	1,000	1,143,060
Queens Baseball Stadium (AMBAC), 5.00%, 1/01/36	6,910	7,090,420
Queens Baseball Stadium (AMBAC), 5.00%, 1/01/39	1,750	1,793,243
Yankee Stadium Project (NPFGC), 5.00%, 3/01/36	2,250	2,331,382
Yankee Stadium Project (NPFGC), 5.00%, 3/01/46	9,650	9,924,060
City of New York New York Transitional Finance Authority Future Tax Secured, RB:		
Sub-Series A-1, 5.00%, 11/01/38	1,000	1,120,320
Sub-Series B-1, 5.00%, 11/01/35	2,510	2,856,430
Sub-Series B-1, 5.00%, 11/01/36	1,690	1,916,342
City of New York New York Transitional Finance Authority Future Tax Secured, Refunding RB, Series C, 5.00%, 11/01/30	1,470	1,723,663
Counties of Buffalo & Erie New York Industrial Land Development Corp., Refunding RB, Buffalo State College Foundation Housing Corp. Project, Series A, 5.38%, 10/01/41	1,040	1,146,985
<b>Par</b>		
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>New York (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
County of Erie New York Industrial Development Agency, RB, City School District of Buffalo Project, Series A:		
5.25%, 5/01/31	\$ 2,305	\$ 2,665,525
5.25%, 5/01/32	1,000	1,152,790
County of Erie New York Industrial Development Agency, Refunding RB:		
5.00%, 5/01/28	1,000	1,199,420
5.00%, 5/01/29	4,060	4,842,930
Hudson Yards Infrastructure Corp., RB:		

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Series A (AGC), 5.00%, 2/15/47	550	577,957
Series A (AGC), 5.00%, 2/15/47	4,300	4,518,569
Series A (AGM), 5.00%, 2/15/47	4,580	4,812,801
Series A (NPFGC), 4.50%, 2/15/47	14,175	14,752,915
Series A (NPFGC), 5.00%, 2/15/47	4,665	4,890,459
New York Liberty Development Corp., Refunding RB:		
4 World Trade Center Project, 5.00%, 11/15/31	2,570	2,919,237
4 World Trade Center Project, 5.00%, 11/15/44	2,000	2,214,320
4 World Trade Center Project, 5.75%, 11/15/51	3,000	3,458,340
7 World Trade Center Project, Class 1, 4.00%, 9/15/35	1,090	1,174,693
7 World Trade Center Project, Class 2, 5.00%, 9/15/43	4,725	5,225,803
Syracuse New York Industrial Development Agency, RB, PILOT, Carousel Center Project, Series A, AMT (Syncora), 5.00%, 1/01/36	3,400	3,450,728
Town of North Hempstead New York, GO, Refunding, Series B (NPFGC), 6.40%, 4/01/17	555	606,693
		159,254,665
<b>Education 22.8%</b>		
Albany Capital Resource Corp., Refunding RB, Albany College of Pharmacy and Health Sciences, Series A:		
5.00%, 12/01/31	250	278,572
5.00%, 12/01/32	100	111,345
4.00%, 12/01/34	110	110,336
Amherst Development Corp., Refunding RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM), 4.63%, 10/01/40	2,000	2,107,840
Build New York City Resource Corp., Refunding RB, Series A, 5.00%, 6/01/43	525	581,007
City of New York New York Trust for Cultural Resources, Refunding RB:		
American Museum of Natural History, Series A, 5.00%, 7/01/37	2,265	2,564,025
American Museum of Natural History, Series A, 5.00%, 7/01/41	825	925,774
Carnegie Hall, Series A, 4.75%, 12/01/39	3,550	3,834,284
Carnegie Hall, Series A, 5.00%, 12/01/39	2,150	2,399,916
Museum of Modern Art, Series 1A, 5.00%, 4/01/31	1,000	1,103,660
Wildlife Conservation Society, Series A, 5.00%, 8/01/42	750	826,807
City of Troy New York Capital Resource Corp., Refunding RB, Rensselaer Polytechnic Institute Project, Series A, 5.13%, 9/01/40	6,445	7,192,298
County of Madison New York Capital Resource Corp., RB, Series B:		
5.00%, 7/01/40	815	921,040
5.00%, 7/01/43	2,940	3,304,119
County of Monroe New York Industrial Development Corp., RB, University of Rochester Project, Series B, 4.50%, 7/01/35	3,885	4,120,742

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>Education (continued)</b>		
County of Monroe New York Industrial Development Corp., Refunding RB, University of Rochester Project, Series A:		
5.00%, 7/01/38	\$ 1,440	\$ 1,601,870
4.00%, 7/01/39	920	935,824
County of Onondaga New York, RB, Syracuse University Project:		
5.00%, 12/01/30	1,190	1,343,141
5.00%, 12/01/36	1,150	1,280,318
County of Rensselaer New York Industrial Development Agency, RB, Polytechnic Institute, Series B (AMBAC), 5.50%, 8/01/22	1,255	1,260,472
County of St. Lawrence New York Industrial Development Agency, RB, Clarkson University Project, 5.38%, 9/01/41	500	554,855
County of Tompkins New York Development Corp., RB, Ithaca College Project (AGM):		
5.50%, 7/01/33	500	558,080
5.25%, 7/01/36	860	944,323
County of Tompkins New York Industrial Development Agency, RB, Civic Facility Cornell University Project, Series A, 5.00%, 7/01/37	675	769,540
State of New York Dormitory Authority, RB:		
Barnard College, Series A, 5.00%, 7/01/34	1,150	1,308,953
Barnard College, Series A, 4.00%, 7/01/37	400	410,544
Convent of the Sacred Heart (AGM), 5.75%, 11/01/40	2,075	2,411,918
Fordham University, Series A, 5.00%, 7/01/28	325	370,773
Fordham University, Series A, 5.50%, 7/01/36	1,550	1,828,070
General Purpose, Series A, 5.00%, 2/15/36	5,500	6,205,540
The New School (AGM), 5.50%, 7/01/43	4,050	4,642,110
New York University Mount Sinai School of Medicine, 5.13%, 7/01/39	665	738,795
New York University, Series 1 (AMBAC), 5.50%, 7/01/40	4,580	5,770,708
New York University, Series B, 5.00%, 7/01/34	1,000	1,117,870
New York University, Series B, 5.00%, 7/01/37	600	672,054
New York University, Series B, 5.00%, 7/01/42	3,240	3,607,708
New York University, Series C, 5.00%, 7/01/18 (c)	2,000	2,231,840
Series C, 5.00%, 12/15/31	3,920	4,149,085
State University Dormitory Facilities, Series A, 5.00%, 7/01/35	800	904,832
State University Dormitory Facilities, Series A, 5.00%, 7/01/40	2,035	2,296,620
State University Dormitory Facilities, Series A, 5.00%, 7/01/41	1,500	1,683,255
State of New York Dormitory Authority, Refunding RB:		
3rd General Resolution, State University Educational Facilities Issue, Series A, 5.00%, 5/15/29	1,000	1,158,150
Barnard College, Series A, 4.00%, 7/01/36	765	789,664
Cornell University, Series A, 5.00%, 7/01/40	1,000	1,132,040
Fordham University, 4.13%, 7/01/39	930	957,593
Fordham University, 5.00%, 7/01/44	2,130	2,364,236
New York University Mount Sinai School at NYU (NPFGC), 5.00%, 7/01/35	6,100	6,454,776
New York University, Series A, 5.00%, 7/01/31	3,955	4,495,925
New York University, Series A, 5.00%, 7/01/37	4,775	5,348,430
Rochester Institute of Technology, 4.00%, 7/01/32	2,355	2,425,273
Rochester Institute of Technology, 5.00%, 7/01/38	500	549,575
Rochester Institute of Technology, 5.00%, 7/01/42	750	820,005
<b>Par</b>		
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>New York (continued)</b>		
<b>Education (concluded)</b>		
State of New York Dormitory Authority, Refunding RB (concluded):		
Rockefeller University, Series B, 4.00%, 7/01/38	\$ 1,370	\$ 1,428,841
St. John's University, Series A, 5.00%, 7/01/37	2,680	2,999,992
State University Dormitory Facilities, Series A, 5.25%, 7/01/30	4,195	4,903,913
State University Dormitory Facilities, Series A, 5.25%, 7/01/31	8,735	10,190,950

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State University Dormitory Facilities, Series A, 5.00%, 7/01/42	1,490	1,650,324
		127,650,550
<b>Health 10.2%</b>		
City of New York New York Health & Hospital Corp., Refunding RB, Health System, Series A, 5.00%, 2/15/30	2,200	2,417,734
County of Buffalo & Erie New York Industrial Land Development Corp., RB, Catholic Health Services, 4.00%, 7/01/45	400	395,852
County of Dutchess New York Industrial Development Agency, RB, Vassar Brothers Medical Center (AGC):		
5.50%, 4/01/30	250	285,350
5.50%, 4/01/34	490	555,734
County of Monroe New York Industrial Development Corp., RB, Rochester General Hospital Project, Series A:		
5.00%, 12/01/32	830	899,820
5.00%, 12/01/37	350	374,794
County of Monroe New York Industrial Development Corp., Refunding RB, Unity Hospital of Rochester Project (FHA), 5.50%, 8/15/40	5,650	6,572,814
County of Suffolk New York EDC, RB, Catholic Health Services, Series C, 5.00%, 7/01/32	625	684,719
County of Westchester New York Healthcare Corp., Refunding RB, Senior Lien, Remarketing, Series A, 5.00%, 11/01/30	1,790	1,929,208
State of New York Dormitory Authority, RB:		
Healthcare, Series A, 5.00%, 3/15/38	2,000	2,226,840
Hudson Valley Hospital (BHAC) (FHA), 5.00%, 8/15/36	6,500	6,958,380
Montefiore Hospital (NPFHC) (FHA), 5.00%, 8/01/33	1,500	1,505,355
New York University Hospitals Center, Series A, 5.75%, 7/01/31	3,450	3,953,597
New York University Hospitals Center, Series A, 6.00%, 7/01/40	1,100	1,257,883
North Shore-Long Island Jewish Obligated Group, Series A, 5.50%, 5/01/19 (c)	2,075	2,392,392
North Shore-Long Island Jewish Obligated Group, Series C, 4.25%, 5/01/39	1,000	1,027,720
North Shore-Long Island Jewish Obligated Group, Series D, 4.25%, 5/01/39	800	822,176
State of New York Dormitory Authority, Refunding RB, Series A:		
New York University Hospitals Center, 4.90%, 8/15/15 (c)	2,900	2,905,336
New York University Hospitals Center, 5.00%, 7/01/17 (c)	1,500	1,623,480
North Shore-Long Island Jewish Obligated Group, 5.00%, 5/01/32	3,525	3,946,026
North Shore-Long Island Jewish Obligated Group, 5.00%, 5/01/32	4,000	4,370,840
North Shore-Long Island Jewish Obligated Group, 5.25%, 5/01/34	9,220	10,174,454
		57,280,504

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>Housing 3.4%</b>		
City of New York New York Housing Development Corp., RB, M/F Housing, AMT:		
Series A-1-A, 5.00%, 11/01/30	\$ 750	\$ 766,163
Series A-1-A, 5.45%, 11/01/46	1,335	1,354,731
Series C, 5.00%, 11/01/26	1,500	1,505,385
Series C, 5.05%, 11/01/36	2,000	2,011,240
Series H-1, 4.70%, 11/01/40	1,340	1,370,713
Series H-2-A, 5.20%, 11/01/35	840	857,254
Series H-2-A, 5.35%, 5/01/41	600	616,908
City of New York New York Housing Development Corp., Refunding RB, M/F Housing, 8 Spruce Street, Class F, 4.50%, 2/15/48	1,230	1,276,703
City of Yonkers New York Industrial Development Agency, RB, Monastery Manor Associates LP Project, AMT (SONYMA), 5.25%, 4/01/37	2,445	2,452,653
County of Monroe New York Industrial Development Agency, IDRB, Southview Towers Project, AMT (SONYMA):		
6.13%, 2/01/20	440	441,408
6.25%, 2/01/31	1,125	1,127,227
State of New York HFA, RB, St. Philip's Housing, Series A, AMT (Fannie Mae), 4.65%, 11/15/38	1,500	1,509,045
State of New York Mortgage Agency, Refunding RB, S/F Housing, 143rd Series, AMT: 4.85%, 10/01/27	1,100	1,143,098
(NPFGC), 4.85%, 10/01/27	2,485	2,532,463
		18,964,991
<b>State 15.9%</b>		
City of New York New York Transitional Finance Authority, BARB:		
Fiscal 2008, Series S-1, 4.50%, 1/15/38	1,700	1,742,058
Fiscal 2009, Series S-1 (AGC), 5.50%, 7/15/38	6,000	6,691,320
Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/33	5,500	6,253,500
Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/39	1,500	1,705,500
Fiscal 2015, Series S-1, 5.00%, 7/15/43	3,570	4,007,039
Series S-2 (AGM) (NPFGC), 5.00%, 1/15/37	5,000	5,255,950
Series S-2 (NPFGC), 4.25%, 1/15/34	5,000	5,064,050
City of New York New York Transitional Finance Authority, RB, Series S-1, 5.00%, 7/15/37	2,000	2,262,060
Metropolitan Transportation Authority, RB, Dedicated Tax Fund, Series A (NPFGC), 5.00%, 11/15/31	3,905	4,109,856
Metropolitan Transportation Authority, Refunding RB, Dedicated Tax Fund:		
Series B, 5.00%, 11/15/34	1,500	1,699,140
Sub-Series B-1, 5.00%, 11/15/31	3,465	3,937,383
Sales Tax Asset Receivable Corp., Refunding RB, Fiscal 2015, Series A, 4.00%, 10/15/32	11,835	12,839,910
State of New York Dormitory Authority, RB:		
General Purpose, Series B, 5.00%, 3/15/37	1,000	1,111,660
General Purpose, Series B, 5.00%, 3/15/42	7,500	8,294,925
Master BOCES Program Lease (AGC), 5.00%, 8/15/28	1,750	1,937,285
School Districts Financing Program, Series C (AGM), 5.00%, 10/01/37	4,050	4,352,130
State Personal Income Tax, Series A, 5.00%, 2/15/43	1,000	1,117,580
State Supported Debt, Series A, 5.00%, 3/15/44	5,550	6,261,676
State of New York Dormitory Authority, Refunding RB, School Districts Financing Program, Series A (AGM), 5.00%, 10/01/17 (c)	550	599,946
	<b>Par</b>	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (continued)</b>		
<b>State (concluded)</b>		
State of New York Thruway Authority, RB:		
2nd General Highway & Bridge Trust, Series A (AMBAC), 5.00%, 4/01/16 (c)	\$ 4,380	\$ 4,518,496
2nd General Highway & Bridge Trust, Series B, 5.00%, 4/01/27	1,500	1,619,820
Transportation, Series A, 5.00%, 3/15/32	1,130	1,293,692

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State of New York Urban Development Corp., RB, State Personal Income Tax, Series C, 5.00%, 3/15/32	2,000	2,289,720
		88,964,696
<b>Tobacco 1.2%</b>		
Chautauqua New York Tobacco Asset Securitization Corp., Refunding RB, 4.75%, 6/01/39	2,190	2,077,587
County of Niagara New York Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed Bonds, 5.25%, 5/15/40	2,250	2,482,852
Niagara Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed, 5.25%, 5/15/34	1,650	1,842,935
		6,403,374
<b>Transportation 22.3%</b>		
Metropolitan Transportation Authority, RB:		
Series A, 5.00%, 11/15/27	1,000	1,151,380
Series A, 5.00%, 11/15/30	2,935	3,331,166
Series A-1, 5.25%, 11/15/33	2,565	2,953,110
Series A-1, 5.25%, 11/15/34	2,840	3,260,803
Series C, 6.50%, 11/15/28	3,200	3,758,880
Series D, 5.25%, 11/15/41	3,450	3,962,877
Series E, 5.00%, 11/15/38	7,785	8,665,873
Series E, 5.00%, 11/15/43	4,000	4,410,080
Series H, 5.00%, 11/15/25	1,000	1,184,170
Series H, 5.00%, 11/15/31	1,690	1,934,526
Sub-Series B, 5.00%, 11/15/25	3,250	3,831,133
Metropolitan Transportation Authority, Refunding RB, Series D, 5.25%, 11/15/29	1,000	1,146,690
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated, 5.25%, 12/15/43	3,500	4,019,155
Niagara Falls Bridge Commission, Refunding RB, Toll Bridge System, Series A (AGC), 4.00%, 10/01/19	1,900	2,031,898
Port Authority of New York & New Jersey, ARB:		
Consolidated, 163rd Series, 5.00%, 7/15/35	2,500	2,818,075
Consolidated, 169th Series, 5.00%, 10/15/41	1,000	1,080,650
Consolidated, 183rd Series, 4.00%, 6/15/44	4,500	4,628,610
JFK International Air Terminal LLC, Special Project, Series 6, AMT (NPFGC), 5.75%, 12/01/22	8,160	8,204,064
Port Authority of New York & New Jersey, Refunding ARB:		
178th Series, AMT, 5.00%, 12/01/33	1,140	1,262,618
179th Series, 5.00%, 12/01/38	1,390	1,572,771
Consolidated, 146th Series, AMT (AGM), 4.50%, 12/01/34	6,090	6,234,028
Consolidated, 147th Series, AMT, 4.75%, 4/15/37	2,250	2,313,383
Consolidated, 177th Series, AMT, 4.00%, 1/15/43	735	740,652
Consolidated, 178th Series, AMT, 5.00%, 12/01/43	750	817,088
Port Authority of New York & New Jersey, Refunding RB:		
Consolidated, 186th Series, AMT, 5.00%, 10/15/44	1,000	1,089,990
Consolidated, 189th Series, 5.00%, 5/01/45	2,875	3,248,779
Series G (AGM), 5.75%, 12/01/25	3,500	3,510,150

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New York (concluded)</b>		
<b>Transportation (concluded)</b>		
State of New York Thruway Authority, Refunding RB:		
5.00%, 1/01/29	\$ 2,225	\$ 2,573,813
5.00%, 1/01/31	1,500	1,715,355
General, 5.00%, 1/01/32	2,000	2,276,700
General, Series I, 5.00%, 1/01/37	5,400	6,022,674
General, Series I, 5.00%, 1/01/42	3,250	3,543,508
Series J, 5.00%, 1/01/41	6,275	6,941,405
Triborough Bridge & Tunnel Authority, RB, General, Series A:		
5.25%, 11/15/45	1,460	1,685,862
5.00%, 11/15/50	4,500	4,953,195
Triborough Bridge & Tunnel Authority, Refunding RB:		
General, CAB, Series B, 0.00%, 11/15/32 (b)	9,000	4,919,850
General, Series A, 5.00%, 11/15/38	1,000	1,128,630
Series C, 5.00%, 11/15/38	2,000	2,201,180
Sub-Series A, 5.00%, 11/15/28	2,500	2,868,025
Sub-Series A, 5.00%, 11/15/29	875	997,666
		124,990,462
<b>Utilities 15.6%</b>		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Series B, 5.00%, 6/15/36	2,000	2,072,360
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution:		
Fiscal 2010, Series FF, 5.00%, 6/15/31	1,500	1,714,005
Fiscal 2011, Series BB, 5.00%, 6/15/31	1,000	1,142,670
Fiscal 2011, Series GG, 5.00%, 6/15/43	1,000	1,102,950
Fiscal 2015, Series HH, 5.00%, 6/15/39	3,000	3,413,070
Series DD, 5.00%, 6/15/32	6,750	7,421,827
Long Island Power Authority, RB, General, Series A (AGM), 5.00%, 5/01/36	3,775	4,166,656
Long Island Power Authority, Refunding RB:		
Electric Systems, Series A (AGC),		
5.75%, 4/01/39	1,015	1,157,110
General, Electric Systems, Series A,		
5.00%, 9/01/44	1,875	2,050,931
General, Electric Systems, Series A (AGC),		
6.00%, 5/01/33	1,500	1,736,100
General, Electric Systems, Series B (AGM),		
5.00%, 12/01/35	4,000	4,127,240
Series A, 5.00%, 9/01/34	1,000	1,116,650
State of New York Environmental Facilities Corp., RB (d):		
5.00%, 9/15/40	1,195	1,380,464
5.00%, 3/15/45	5,145	5,851,769
State of New York Environmental Facilities Corp., Refunding RB:		
5.00%, 6/15/40	4,275	4,953,229
5.00%, 6/15/45	18,920	21,576,179
Revolving Funds, New York City Municipal Water, Series B, 5.00%, 6/15/33	1,040	1,142,898
Series B, Revolving Funds, New York City Municipal Water, 5.00%, 6/15/36	2,100	2,363,277
State of New York Power Authority, Refunding RB, Series A, 5.00%, 11/15/38	4,920	5,473,943
Utility Debt Securitization Authority, Refunding RB, Restructuring, Series E, 5.00%, 12/15/41	9,960	11,361,471
Western Nassau County Water Authority, RB, Series A:		
3.25%, 4/01/33	1,000	953,250
5.00%, 4/01/40	1,185	1,323,479
		87,601,528
<b>Total Municipal Bonds in New York</b>		690,371,772
<b>Guam 0.3%</b>		



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## Utilities 0.3%

Guam Power Authority, RB, Series A (AGM), 5.00%, 10/01/37	\$ 1,380	\$ 1,536,037
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## Puerto Rico 0.9%

### Housing 0.9%

Puerto Rico Housing Finance Authority, Refunding RB, M/F Housing, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27	4,580	4,826,770
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## U.S. Virgin Islands 1.3%

### State 1.3%

Virgin Islands Public Finance Authority, Refunding RB, Series C, 5.00%, 10/01/39	7,150	7,597,876
<b>Total Municipal Bonds 125.7%</b>		704,332,455

## Municipal Bonds Transferred to

### Tender Option Bond Trusts (e)

## New York 32.0%

### County/City/Special District/School District 5.4%

City of New York New York, GO, Refunding, Series E, 5.00%, 8/01/27	1,064	1,202,361
City of New York New York, GO: Sub-Series C-3 (AGC), 5.75%, 8/15/28 (f)	14,400	16,483,968
Sub-Series I-1, 5.00%, 3/01/36	3,500	3,958,255
City of New York New York Transitional Finance Authority, RB, Future Tax Secured, Sub-Series D-1, 5.00%, 11/01/38	4,125	4,599,251
New York Liberty Development Corp., Refunding RB, 7 World Trade Center Project, Class 1, 5.00%, 9/15/40	3,645	4,162,007

30,405,842

## Education 5.1%

City of New York New York Trust for Cultural Resources, Refunding RB, Wildlife Conservation Society, Series A, 5.00%, 8/01/33	1,981	2,247,654
State of New York Dormitory Authority, New York University, Series A, LRB, State University Dormitory Facilities: 5.25%, 7/01/29	6,000	6,719,040
5.00%, 7/01/35	5,198	5,875,847
State of New York Dormitory Authority, RB (c): 5.00%, 7/01/18	6,498	7,251,627
(AMBAC), 5.00%, 7/01/17	5,707	6,173,843

28,268,011

## State 6.8%

Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (f)	9,739	11,089,837
Sales Tax Asset Receivable Corp., Refunding RB, Fiscal 2015, Series A, 5.00%, 10/15/31	7,995	9,420,429
State of New York Dormitory Authority, ERB, Series B, 5.75%, 3/15/36	7,850	8,996,650
State of New York Dormitory Authority, RB, Series C: General Purpose, 5.00%, 3/15/41	1,650	1,867,074
Mental Health Services Facilities, AMT (AGM), 5.40%, 2/15/33	6,297	6,954,746

38,328,736

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>New York (continued)</b>		
<b>Transportation 9.3%</b>		
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	\$ 18,000	\$ 20,669,940
Port Authority of New York & New Jersey, ARB, Consolidated, 169th Series, AMT: 5.00%, 10/15/25	7,990	9,150,611
5.00%, 10/15/26	6,000	6,833,700
State of New York Thruway Authority, Refunding RB: General, Series H (AGM), 5.00%, 1/01/37	10,000	10,797,700
Transportation, Personal Income Tax, Series A, 5.00%, 3/15/31	3,940	4,541,401
		51,993,352
<b>Utilities 5.4%</b>		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A, 5.75%, 6/15/40	4,094	4,588,852
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution: Fiscal 2011, Series HH, 5.00%, 6/15/32	9,900	11,302,731
Fiscal 2012, Series BB, 5.00%, 6/15/44	3,991	4,416,838
Series FF-2, 5.50%, 6/15/40	2,760	3,157,448
<b>New York (concluded)</b>		
<b>Utilities (concluded)</b>		
Utility Debt Securitization Authority, Refunding RB, 5.00%, 12/15/41	\$ 5,998	\$ 6,842,190
		30,308,059
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 32.0%</b>		179,304,000
<b>Total Long-Term Investments (Cost \$827,582,972) 157.7%</b>		883,636,455
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF New York Municipal Money Fund, 0.00% (g)(h)	19,904,130	19,904,130
<b>Total Short-Term Securities (Cost \$19,904,130) 3.5%</b>		19,904,130
<b>Total Investments (Cost \$847,487,102) 161.2%</b>		903,540,585
<b>Liabilities in Excess of Other Assets (0.4)%</b>		(2,325,146)
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (16.6)%</b>		(93,143,462)
<b>VRDP Shares, at Liquidation Value (44.2)%</b>		(247,700,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 560,371,977

## Notes to Schedule of Investments

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

(b) Zero-coupon bond.

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(c) 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.

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

Counterparty	Value	Unrealized Appreciation
Citigroup Global Markets, Inc.	\$ 7,232,233	\$ 59,212

(e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts.

(f) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB Trust certificates and proceeds received from the sale of the security contributed to the TOB Trust or in the event of a default on the security. In the case of a shortfall or default, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire from February 15, 2017 to February 15, 2019, is \$12,778,281.

(g) During the year ended July 31, 2015, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliate	Shares Held at July 31, 2014	Net Activity	Shares Held at July 31, 2015	Income	Realized Gain
BIF New York Municipal Money Fund	5,691,487	14,212,643	19,904,130	\$ 3	\$ 567

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

For Fund compliance purposes, the Fund's sector classifications refer to 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.

### Derivative Financial Instruments Outstanding as of July 31, 2015

#### Financial Futures Contracts

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
Short (401)	10-Year U.S. Treasury Note	Chicago Board of Trade	September 2015	\$ 51,102,438	\$ (161,610)

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

**Derivative Financial Instruments Categorized by Risk Exposure**

The following is a summary of the Fund's derivative financial instruments categorized by risk exposure. For information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

As of July 31, 2015, the fair values of derivative financial instruments were as follows:

					Foreign					
					Currency	Interest				
					Commodity	Credit	Equity	Exchange	Rate	
Statement of Assets and Liabilities		Location	Contracts	Contracts	Contracts	Contracts	Contracts			Total
Derivative Financial Instruments		Liabilities								
Financial futures contracts	Net unrealized depreciation <sup>1</sup>								\$ 161,610	\$ 161,610

<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contract, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
Net Realized Gain (Loss) from:						
Financial futures contracts					\$ (2,219,717)	\$ (2,219,717)

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
Net Change in Unrealized Appreciation (Depreciation) on:						
Financial futures contracts					\$ (385,025)	\$ (385,025)

For the year ended July 31, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

Financial futures contracts:							
Average notional value of contracts	short						\$ 69,215,898

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## Fair Value Hierarchy as of July 31, 2015

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 3 of the Notes to Financial Statements.

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 883,636,455		\$ 883,636,455
Short-Term Securities	\$ 19,904,130			19,904,130
<b>Total</b>	<b>\$ 19,904,130</b>	<b>\$ 883,636,455</b>		<b>\$ 903,540,585</b>

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

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (161,610)			\$ (161,610)

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

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

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, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 541,350			\$ 541,350
<b>Liabilities:</b>				
TOB Trust Certificates		\$ (93,113,130)		(93,113,130)
VRDP Shares		(247,700,000)		(247,700,000)
<b>Total</b>	\$ 541,350	\$ (340,813,130)		\$ (340,271,780)

During the year ended July 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments July 31, 2015

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Alabama 0.4%</b>		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC), 6.00%, 6/01/39	\$ 3,605	\$ 4,122,966
<b>Alaska 1.5%</b>		
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	2,690	3,048,120
Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC):		
6.00%, 9/01/19 (a)	6,450	7,690,399
6.00%, 9/01/28	3,700	4,332,404
		15,070,923
<b>Arizona 0.4%</b>		
City of Phoenix & County of Maricopa Arizona IDA, Refunding RB, S/F Housing, Series A-2, AMT (Fannie Mae), 5.80%, 7/01/40	175	182,697
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27	3,075	3,405,716
		3,588,413
<b>Arkansas 0.1%</b>		
County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42	1,110	1,194,793
<b>California 14.0%</b>		
Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.40%, 10/01/24	10,000	10,850,300
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 7/01/39	1,550	1,771,665
Sutter Health, Series B, 5.88%, 8/15/31	3,200	3,779,744
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.00%, 7/01/37	2,965	3,296,102
California HFA, RB, S/F Housing, Home Mortgage, Series K, AMT, 5.50%, 2/01/42	360	366,232
California State University, RB, Systemwide, Series A, 5.50%, 11/01/39	1,525	1,747,010
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37	3,545	3,764,187
California Statewide Communities Development Authority, RB:		
Kaiser Permanente, Series A, 5.00%, 4/01/42	4,030	4,406,523
St. Joseph Health System, Series E (AGM), 5.25%, 7/01/47	4,000	4,278,640
City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30	1,900	2,074,667
City of San Jose California, Refunding ARB, AMT:		
Series A (AMBAC), 5.50%, 3/01/32	11,965	12,698,335
Series A-1, 5.75%, 3/01/34	2,300	2,637,318
Coast Community College District, GO, Election of 2002, Series C (AGM), 0.00%, 8/01/33 (b)	8,100	3,135,186
County of Orange California Sanitation District, COP, Series B (AGM), 5.00%, 2/01/17 (a)	5,000	5,341,750
County of Sacramento California, ARB, Senior Series A, 5.00%, 7/01/41	10,000	10,891,800
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	1,830	2,202,899
Dublin Unified School District California, GO, CAB, Election of 2004, Series D, 0.00%, 8/01/34 (b)	5,000	1,704,550
Golden State Tobacco Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 6/01/40	4,200	4,653,768
Grossmont Union High School District, GO, CAB, Election of 2004, 0.00%, 8/01/31 (b)	5,110	2,677,742
	<b>Par</b>	
	(000)	Value
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
Long Beach Unified School District, GO, CAB, Election of 2008, Series B, 0.00%, 8/01/34 (b)	\$ 5,000	\$ 2,228,000
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/17 (a)	1,200	1,305,264
Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 8/01/43 (c)	3,975	2,831,949

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Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (b)	7,620	2,689,250
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	2,500	2,744,975
Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement, Election of 2008, Series B (b):		
0.00%, 8/01/35	7,820	3,378,866
0.00%, 8/01/36	10,000	4,059,000
Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C (b):		
0.00%, 8/01/37	8,000	3,150,080
0.00%, 8/01/38	12,940	4,873,851
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,165	2,257,965
San Diego California Unified School District, GO, CAB, Election of 2008, Series G (b):		
0.00%, 7/01/34	1,860	747,348
0.00%, 7/01/35	1,970	744,837
0.00%, 7/01/36	2,960	1,056,631
0.00%, 7/01/37	1,975	659,848
San Diego California Unified School District, GO, Refunding, CAB, Election of 2008, Series R-1, 0.00%, 7/01/31 (b)	3,485	1,855,379
San Marcos Unified School District, GO, Election of 2010, Series A:		
5.00%, 8/01/34	1,800	2,043,126
5.00%, 8/01/38	1,600	1,805,424
State of California, GO, Refunding, Various Purposes:		
5.00%, 9/01/41	2,700	3,006,099
5.00%, 10/01/41	2,555	2,848,237
State of California, GO, Series 2007-2 (NPFGC), 5.50%, 4/01/30	10	10,041
State of California Public Works Board, LRB:		
Judicial Council Projects, Series A, 5.00%, 3/01/38	1,940	2,167,892
Various Capital Projects, Series I, 5.00%, 11/01/38	5,040	5,677,409
Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 0.00%, 8/01/36 (b)	6,545	2,619,178
West Valley-Mission Community College District, GO:		
5.00%, 8/01/16 (a)	3,025	3,167,477
5.00%, 8/01/30	575	599,570
		140,806,114
<b>Colorado 0.7%</b>		
Regional Transportation District, COP, Series A, 5.00%, 6/01/39	6,580	7,284,060
<b>Florida 13.7%</b>		
County of Brevard Florida Health Facilities Authority, Refunding RB, Health First, Inc. Project, 5.00%, 4/01/39	4,535	4,867,597
County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 7/01/33	13,100	14,329,566
County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/18 (a)	2,250	2,549,182

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Florida (concluded)</b>		
County of Collier Florida School Board, COP (AGM), 5.00%, 2/15/16 (a)	\$ 5,000	\$ 5,128,600
County of Highlands Florida Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37	1,750	2,033,833
County of Lee Florida, Refunding ARB, Series A, AMT: 5.63%, 10/01/26	2,600	2,999,594
5.38%, 10/01/32	3,440	3,812,002
County of Miami-Dade Florida, GO, Building Better Communities Program:		
Series B, 6.38%, 7/01/28	6,000	6,850,380
Series B-1, 5.75%, 7/01/33	3,700	4,145,406
County of Miami-Dade Florida, RB, Seaport:		
Series A, 6.00%, 10/01/38	5,695	6,832,747
Series B, AMT, 6.00%, 10/01/30	1,820	2,202,528
Series B, AMT, 6.25%, 10/01/38	1,165	1,422,279
Series B, AMT, 6.00%, 10/01/42	1,865	2,184,922
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series C (BHAC), 6.00%, 10/01/18 (a)	20,095	23,249,513
County of Miami-Dade Florida Aviation, Refunding ARB, AMT: 5.00%, 10/01/34	530	579,242
Miami International Airport, Series A (AGM), 5.50%, 10/01/41	19,020	21,084,811
County of Miami-Dade Florida Transit System, RB, Surtax: 5.00%, 7/01/16 (a)	19,800	20,643,678
(AGM), 5.00%, 7/01/35	2,800	3,046,372
County of Palm Beach Florida Solid Waste Authority, Refunding RB, 5.00%, 10/01/31	3,100	3,591,009
County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	5,135	5,695,639
		137,248,900
<b>Georgia 2.2%</b>		
County of Burke Georgia Development Authority, Refunding RB, Oglethorpe Power-Vogle Project, Series C, 5.70%, 1/01/43	6,450	6,984,382
County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A, 5.50%, 8/15/54	1,405	1,595,799
Metropolitan Atlanta Rapid Transit Authority, Refunding RB, 3rd Indenture, Series B, 5.00%, 7/01/37	10,000	10,653,900
Private Colleges & Universities Authority, RB, Savannah College of Art & Design: 5.00%, 4/01/31	540	592,456
5.00%, 4/01/33	395	431,838
5.00%, 4/01/44	1,775	1,897,120
		22,155,495
<b>Hawaii 0.4%</b>		
State of Hawaii Department of Transportation, COP, AMT: 5.00%, 8/01/27	2,000	2,261,240
5.00%, 8/01/28	1,775	1,989,509
		4,250,749
<b>Illinois 21.8%</b>		
City of Chicago Illinois, GARB, 3rd Lien:		
O Hare International Airport, Series B-2, AMT (NPFGC), 5.25%, 1/01/27	8,530	8,560,026
O Hare International Airport, Series A, 5.75%, 1/01/39	9,000	10,318,770
O Hare International Airport, Series B-2, AMT (NPFGC), 6.00%, 1/01/27	1,695	1,702,814
	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Illinois (continued)</b>		

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City of Chicago Illinois, GO, Refunding, Series A:

5.00%, 1/01/34	\$ 2,000	\$ 1,856,600
5.00%, 1/01/35	9,280	8,573,792
5.00%, 1/01/36	4,245	3,903,362
Project, 5.25%, 1/01/33	11,065	10,637,116
City of Chicago Illinois, Refunding GARB, O Hare International Airport, AMT:		
3rd Lien, Series C-2 (AGM), 5.25%, 1/01/30	13,240	13,254,564
Series B, 5.00%, 1/01/31	2,425	2,579,303
City of Chicago Illinois, Refunding RB, Series A:		
Sales Tax Receipts, 5.00%, 1/01/41	4,190	4,286,705
Waterworks, 2nd Lien (AMBAC), 5.00%, 11/01/36	3,500	3,569,930
City of Chicago Illinois Midway International Airport, Refunding RB, 2nd Lien, Series A, AMT, 5.00%, 1/01/34	3,035	3,252,215
City of Chicago Illinois Park District, GO, Harbor Facilities Revenue, Series C:		
5.25%, 1/01/37	4,000	4,154,320
5.25%, 1/01/40	1,505	1,561,603
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36	1,620	1,721,963
County of Cook Illinois Community College District No. 508, GO, City College of Chicago, 5.13%, 12/01/38	3,250	3,606,395
County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37	775	839,031
Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 8/15/34	8,700	10,074,861
Illinois Finance Authority, Refunding RB:		
Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	5,250	5,992,875
Silver Cross Hospital And Medical Centers, 4.13%, 8/15/37	1,965	1,923,165
Silver Cross Hospital And Medical Centers, 5.00%, 8/15/44	1,965	2,092,646
Illinois Municipal Electric Agency, RB, Series A (NPFGC) (a):		
5.00%, 2/01/17	17,935	19,118,889
5.25%, 2/01/17	15,000	16,046,100
Illinois State Toll Highway Authority, RB, Series B:		
5.50%, 1/01/33	4,000	4,375,280
(BHAC), 5.50%, 1/01/33	2,000	2,192,160
Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Explosion Project, Series A (NPFGC) (b):		
0.00%, 12/15/26	8,500	5,572,260
0.00%, 6/15/32	14,000	6,585,880
0.00%, 12/15/33	20,000	8,688,400
0.00%, 12/15/34	41,880	17,157,398
Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM), 0.00%, 6/15/44 (b)	9,430	2,228,026
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	1,700	2,000,747
Regional Transportation Authority, RB, Series C (NPFGC), 7.75%, 6/01/20	865	1,001,428
State of Illinois, GO:		
5.25%, 7/01/29	3,160	3,316,262
5.25%, 2/01/33	5,860	6,071,253
5.50%, 7/01/33	2,235	2,403,944
5.25%, 2/01/34	5,360	5,538,059
5.50%, 7/01/38	1,200	1,271,748
5.00%, 2/01/39	7,500	7,536,075

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Illinois (concluded)</b>		
University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 4/01/39	\$ 2,580	\$ 2,812,639
		218,378,604
<b>Indiana 3.2%</b>		
City of Indianapolis Indiana, Refunding RB, Series B (AGC), 5.25%, 8/15/27	5,000	5,449,650
Indiana Finance Authority, RB, Series A:		
CWA Authority Project, 1st Lien, 5.25%, 10/01/38	2,900	3,348,050
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/44	1,400	1,458,436
Private Activity Bond, Ohio River Bridges, AMT, 5.00%, 7/01/40	2,425	2,536,138
Indiana Municipal Power Agency, RB:		
Series A (NPFGC), 5.00%, 1/01/37	3,850	4,022,596
Series B, 6.00%, 1/01/39	5,000	5,710,650
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A:		
5.75%, 1/01/38	2,900	3,288,194
(AGC), 5.25%, 1/01/29	1,350	1,507,923
(AGC), 5.50%, 1/01/38	4,250	4,786,817
		32,108,454
<b>Iowa 2.8%</b>		
Iowa Finance Authority, RB, Iowa Health Care Facilities, Series A (AGC), 5.63%, 8/15/37	12,650	14,311,704
Iowa Student Loan Liquidity Corp., RB, Senior Series A-2, AMT:		
5.60%, 12/01/26	3,185	3,438,940
5.70%, 12/01/27	3,180	3,414,430
5.75%, 12/01/28	1,680	1,803,211
5.80%, 12/01/29	2,150	2,305,724
5.85%, 12/01/30	2,230	2,393,370
		27,667,379
<b>Kentucky 1.1%</b>		
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A,		
5.38%, 1/01/40	1,000	1,105,700
Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project,		
Convertible CAB, 1st Tier, Series C, 0.00%, 7/01/39 (c)	8,225	5,786,123
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC),		
5.25%, 2/01/28	4,000	4,469,840
		11,361,663
<b>Louisiana 1.2%</b>		
City of New Orleans Louisiana Aviation Board, RB, AMT:		
Series A (AGM), 5.25%, 1/01/32	6,405	6,829,396
Series B, 5.00%, 1/01/40	4,825	5,231,892
		12,061,288
<b>Massachusetts 1.1%</b>		
Massachusetts HFA, RB, M/F Housing, Series B, 7.00%, 12/01/38	3,150	3,413,277
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	3,100	3,204,501
Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A,		
5.00%, 5/15/43	3,495	3,892,382
		10,510,160
	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan 8.1%</b>		

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City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM), 6.25%, 7/01/36	\$ 1,075	\$ 1,169,149
City of Detroit Michigan Water Supply System, Refunding RB, 2nd Lien, Series D (NPFGC), 5.00%, 7/01/33	5,000	5,088,700
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41	3,185	3,737,088
Michigan Finance Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/39	16,100	17,700,340
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series D, 5.00%, 9/01/39	1,330	1,431,785
State of Michigan, RB, GAB (AGM):		
5.25%, 9/15/22	10,000	10,907,300
5.25%, 9/15/26	6,650	7,239,323
State of Michigan Building Authority, Refunding RB, Facilities Program:		
Series I, 6.25%, 10/15/18 (a)	3,125	3,572,719
Series I, 5.00%, 10/15/45 (d)	2,410	2,663,363
Series I (AGC), 5.25%, 10/15/24	1,750	1,994,492
Series I (AGC), 5.25%, 10/15/25	3,250	3,692,747
Series I-A, 5.38%, 10/15/36	2,075	2,383,656
Series I-A, 5.38%, 10/15/41	1,900	2,177,951
Series II-A (AGM), 5.25%, 10/15/36	8,040	8,941,445
State of Michigan HDA, RB, S/F Housing, Series C, AMT, 5.50%, 12/01/28	2,065	2,176,964
Wayne County Airport Authority, Refunding RB, AMT (AGC), 5.38%, 12/01/32	5,000	5,477,100
Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39	1,080	1,189,102
		81,543,224
<b>Minnesota 0.6%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	5,500	6,290,680
<b>Nebraska 0.7%</b>		
Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.25%, 9/01/37	6,825	7,429,900
<b>Nevada 1.1%</b>		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	2,250	2,577,982
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A: 5.25%, 7/01/42	2,000	2,239,260
(AGM), 5.25%, 7/01/39	5,170	5,790,762
		10,608,004
<b>New Jersey 7.9%</b>		
New Jersey EDA, RB:		
Private Activity Bond, The Goethals Bridge Replacement Project, AMT, 5.13%, 1/01/34	1,930	2,103,237
Private Activity Bond, The Goethals Bridge Replacement Project, AMT, 5.38%, 1/01/43	4,920	5,269,910
School Facilities Construction, Series UU, 5.00%, 6/15/34	1,620	1,678,628
School Facilities Construction, Series UU, 5.00%, 6/15/40	4,015	4,118,948
New Jersey EDA, Refunding RB, School Facilities Construction:		
Series N-1 (AMBAC), 5.50%, 9/01/24	6,325	7,071,982
Series N-1 (NPFGC), 5.50%, 9/01/28	1,685	1,924,405

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey (concluded)</b>		
New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT:		
5.50%, 12/01/25	\$ 1,250	\$ 1,383,175
5.50%, 12/01/26	1,800	1,982,592
5.75%, 12/01/28	200	220,406
5.88%, 12/01/33	6,895	7,619,664
New Jersey Housing & Mortgage Finance Agency, Refunding RB, M/F Housing, Series 2, AMT, 4.35%, 11/01/33	3,360	3,422,597
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series A, 0.00%, 12/15/35 (b)	18,525	6,061,010
CAB, Transportation System, Series C (AGC) (AMBAC), 0.00%, 12/15/25 (b)	10,000	6,518,500
Transportation Program, Series AA, 5.25%, 6/15/33	4,150	4,376,715
Transportation Program, Series AA, 5.00%, 6/15/38	4,990	5,130,119
Transportation System, Series A (NPFGC), 5.75%, 6/15/25	4,000	4,643,760
Transportation System, Series AA, 5.50%, 6/15/39	5,725	6,135,941
Transportation System, Series B, 5.50%, 6/15/31	1,000	1,068,050
Transportation System, Series B, 5.00%, 6/15/42	6,500	6,652,295
Transportation System, Series D, 5.00%, 6/15/32	1,825	1,898,310
		79,280,244
<b>New Mexico 0.1%</b>		
New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 8/01/44	1,040	1,140,308
<b>New York 1.9%</b>		
City of New York New York Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/34	7,250	8,243,250
City of New York New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32	4,150	4,756,854
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47	1,920	2,186,266
State of New York Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	3,250	3,649,425
		18,835,795
<b>Ohio 2.2%</b>		
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37	3,000	3,690,270
County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38	11,135	12,608,272
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 2/15/32	1,950	2,228,499
5.25%, 2/15/33	2,730	3,115,940
		21,642,981
<b>Pennsylvania 4.6%</b>		
Commonwealth Financing Authority, RB, Series B, 5.00%, 6/01/42	3,305	3,560,113
Pennsylvania Economic Development Financing Authority, RB, The Pennsylvania Rapid Bridge Replacement Project, AMT:		
5.00%, 12/31/34	7,115	7,621,944
5.00%, 12/31/38	5,850	6,224,576
	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Pennsylvania (concluded)</b>		
Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 9/01/50	\$ 11,685	\$ 12,798,814
Pennsylvania Turnpike Commission, RB:		
Series A, 5.00%, 12/01/38	1,775	1,965,972
Series C, 5.50%, 12/01/33	1,565	1,836,402
Sub-Series C (AGC), 6.25%, 6/01/38	5,695	6,394,517

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Subordinate, Special Motor License Fund, 6.00%, 12/01/36	2,575	3,029,642
Pennsylvania Turnpike Commission, Refunding RB, Series A-1, 5.00%, 12/01/40	2,165	2,400,790
		45,832,770
<b>South Carolina 2.6%</b>		
South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39	3,600	4,311,216
State of South Carolina Public Service Authority, RB, Santee Cooper:		
Series A, 5.50%, 12/01/54	11,450	12,834,534
Series E, 5.50%, 12/01/53	2,025	2,262,816
State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series B, 5.00%, 12/01/38	5,870	6,487,994
		25,896,560
<b>Texas 15.7%</b>		
Central Texas Turnpike System, Refunding RB, 2nd Tier, Series C, 5.00%, 8/15/34	1,780	1,940,663
City of Houston Texas Utility System, Refunding RB:		
Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35	5,700	6,702,060
Combined 1st Lien, Series A (AGC), 5.38%, 11/15/38	3,650	4,122,055
Series A (AGM), 5.00%, 11/15/36	10,000	10,775,300
City of San Antonio Texas Public Service Board, RB, Junior Lien, 5.00%, 2/01/38	1,450	1,611,574
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 9/15/36 (b)	5,810	2,243,880
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Cook Children's Medical Center, 5.25%, 12/01/39	2,095	2,377,364
Dallas ISD, GO, School Building (PSF-GTD), 6.38%, 2/15/18 (a)	10,000	11,390,200
Dallas-Fort Worth International Airport, ARB, Joint Improvement, Series D, AMT, 5.00%, 11/01/38	12,580	13,390,529
Dallas-Fort Worth International Airport, Refunding ARB, Series F:		
5.25%, 11/01/33	2,745	3,156,503
5.00%, 11/01/35	5,000	5,512,700
Grand Prairie ISD, GO, Refunding, CAB, 0.00%, 8/15/28 (b)	10,000	4,912,300
Judson ISD Texas, GO, School Building (AGC), 5.00%, 2/01/37	10,000	10,516,100
Leander ISD, GO, Refunding, CAB, Series D, 0.00%, 8/15/38 (b)	9,685	3,512,846
North Texas Tollway Authority, RB, CAB, Special Project System, Series B, 0.00%, 9/01/43 (b)	36,000	8,030,880
North Texas Tollway Authority, Refunding RB, 1st Tier System:		
Series A, 6.00%, 1/01/28	6,275	7,191,589
Series A (NPFGC), 5.13%, 1/01/28	20,000	21,575,400
Series B (NPFGC), 5.75%, 1/01/40	10,000	10,967,300

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Texas (concluded)</b>		
San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project, CAB (b):		
0.00%, 9/15/35	\$ 680	\$ 270,504
0.00%, 9/15/36	12,195	4,568,857
0.00%, 9/15/37	8,730	3,076,103
Texas Municipal Gas Acquisition & Supply Corp. III, RB:		
5.00%, 12/15/31	1,665	1,793,455
5.00%, 12/15/32	5,565	5,975,808
Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series A, 5.00%, 8/15/41	11,345	12,302,631
		157,916,601
<b>Utah 1.8%</b>		
Utah Transit Authority, Refunding RB, CAB (b):		
Sub-Series A (AGC), 0.00%, 6/15/20	10,000	8,525,400
Sub-Series A (NPFGC), 0.00%, 6/15/24	13,930	9,728,015
		18,253,415
<b>Vermont 0.0%</b>		
Vermont HFA, Refunding RB, Multiple Purpose, S/F Housing, Series C, AMT (AGM), 5.50%, 11/01/38	440	443,978
<b>Washington 1.3%</b>		
Port of Seattle Washington, RB, Series C, AMT, 5.00%, 4/01/40 (d) 2,830		3,067,833
Washington Health Care Facilities Authority, RB:		
MultiCare Health System, Remarketing, Series B, 5.00%, 8/15/44	1,000	1,068,390
Providence Health & Services, Series A, 5.25%, 10/01/39	2,725	3,007,528
Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36	5,400	6,130,134
		13,273,885
<b>Wisconsin 0.4%</b>		
State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33	3,745	4,125,005
<b>Total Municipal Bonds 113.6%</b>		1,140,323,311
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>Arizona 1.5%</b>		
Arizona School Facilities Board, COP (AGC), 5.13%, 9/01/18 (a)(f)	10,000	11,254,600
Salt River Project Agricultural Improvement & Power District, RB, Electric System, Series A, 5.00%, 1/01/38	3,500	3,775,730
		15,030,330
<b>California 7.8%</b>		
California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33 (f)	7,996	8,778,684
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37	18,435	19,574,770
City of Riverside California, RB, Issue D (AGM), 5.00%, 10/01/38	20,000	21,897,800
County of Alameda California Joint Powers Authority, Refunding LRB (AGM), 5.00%, 12/01/34	6,990	7,565,137
	<b>Par</b>	
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>	<b>(000)</b>	<b>Value</b>
<b>California (concluded)</b>		

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County of San Diego California Water Authority, COP, Refunding, Election of 2014, Series A (AGM), 5.00%, 5/01/33	\$ 9,370	\$ 10,265,304
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series C, 6.00%, 8/01/19 (a)	5,248	6,269,030
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	1,047	1,198,786
University of California, RB, Series O, 5.75%, 5/15/19 (a)	2,205	2,590,647
		78,140,158
<b>Colorado 0.3%</b>		
Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiatives, Series A, 5.50%, 7/01/34 (f)	2,469	2,794,780
<b>Connecticut 0.5%</b>		
Connecticut State Health & Educational Facility Authority, RB, Yale University, Series T-1, 4.70%, 7/01/29	5,019	5,347,658
<b>District of Columbia 2.6%</b>		
District of Columbia, RB, Series A, 5.50%, 12/01/30 (f)	2,595	3,013,080
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/18 (a)(f)	4,277	4,942,997
Metropolitan Washington Airports Authority, RB, Series B, AMT, 5.00%, 10/01/32	10,000	10,493,500
Metropolitan Washington Airports Authority, Refunding ARB, Series A, AMT, 5.00%, 10/01/30	6,880	7,625,379
		26,074,956
<b>Florida 4.5%</b>		
City of Tallahassee Florida, RB, Energy System (NPFGC), 5.00%, 10/01/32 (f)	3,300	3,538,095
County of Highlands Florida Health Facilities Authority, RB, Adventist, Series C, 5.25%, 11/15/36	5,400	5,706,018
County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 7/01/42	4,840	5,332,422
County of Miami-Dade Florida Water & Sewer System (AGM), 5.00%, 10/01/39	11,702	13,230,462
County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 8/01/34	12,013	13,396,044
State of Florida Board of Education, GO, Series D, 5.00%, 6/01/37 (f)	3,299	3,550,718
		44,753,759
<b>Illinois 3.5%</b>		
City of Chicago Illinois, RB, Motor Fuel Tax Project, Series A (AGC), 5.00%, 1/01/38	4,000	4,057,960
Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A, 5.00%, 6/15/42	719	745,448
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 (f)	3,499	3,888,514
State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/18 (a)	10,000	11,527,200
State of Illinois Toll Highway Authority, RB, Series A: Senior, 5.00%, 1/01/40	7,621	8,443,872
5.00%, 1/01/38	5,836	6,354,667
		35,017,661
<b>Kentucky 0.7%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	5,985	6,735,036

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>Louisiana 1.0%</b>		
State of Louisiana Gas & Fuels, RB, Series A (AGM), 5.00%, 5/01/16 (a)	\$ 10,000	\$ 10,353,600
<b>Nevada 0.6%</b>		
County of Clark Nevada Water Reclamation District, GO, Series B: Limited Tax, 5.75%, 7/01/34	4,813	5,581,879
5.50%, 7/01/29	510	584,171
		6,166,050
<b>New Jersey 1.7%</b>		
Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28	10,000	12,277,500
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (f)	4,961	5,203,143
		17,480,643
<b>New York 7.4%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution:		
Fiscal 2013, Series CC, 5.00%, 6/15/47	15,521	17,177,885
Series DD, 5.00%, 6/15/37	17,567	19,316,028
City of New York New York Water & Sewer System, Refunding RB, 2nd General Resolution, Fiscal 2014, Series DD, 5.00%, 6/15/35	4,740	5,390,375
Metropolitan Transportation Authority, RB, Sub-Series D-1, 5.25%, 11/15/44	9,850	11,207,429
New York State Urban Development Corp., RB, Personal Income Tax, General Purpose, Series A-1, 5.00%, 3/15/43	14,280	15,975,179
Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 (f)	4,500	5,043,510
		74,110,406
<b>North Carolina 0.7%</b>		
North Carolina HFA, RB, S/F Housing, Series 31-A, AMT, 5.25%, 7/01/38	7,070	7,283,832
<b>Ohio 0.7%</b>		
County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 10/01/41	4,990	5,260,009
State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 1/01/34	1,520	1,719,029
		6,979,038
<b>South Carolina 0.2%</b>		
State of South Carolina Housing Finance & Development Authority, Refunding RB, S/F Housing, Series B-1, 5.55%, 7/01/39	2,384	2,427,074
<b>Texas 5.1%</b>		
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38	1,799	1,964,426
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>Texas (concluded)</b>		
Dallas Fort Worth International Airport, ARB, Series H, AMT, 5.00%, 11/01/37 (f)	\$ 8,868	\$ 9,459,534
Friendswood ISD Texas, GO, Schoolhouse (PSF-GTD), 5.00%, 2/15/37	12,955	13,994,389
Houston ISD, GO, Schoolhouse (PSF-GTD), 5.00%, 2/15/33	10,000	10,575,900
North East Texas ISD, GO, School Building, Series A (PSF-GTD), 5.00%, 8/01/17 (a)(f)	3,500	3,780,735
Texas State University Systems, Refunding RB, 5.25%, 3/15/18 (a)	10,000	11,122,400
		50,897,384
<b>Virginia 0.4%</b>		
University of Virginia, Refunding RB, General, 5.00%, 6/01/40	3,944	4,327,394
<b>Washington 2.8%</b>		
Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/17 (a)	17,000	18,313,008

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Washington Health Care Facilities Authority, Refunding RB, Seattle Children's Hospital, Series B, 5.00%, 10/01/38

8,205                      9,525,020

27,838,028

### Wisconsin 2.8%

State of Wisconsin, Refunding RB, Series A, 6.00%, 5/01/36

14,780                      17,135,637

Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group:

Series A, 5.00%, 4/01/42

2,490                      2,701,799

Series C, 5.25%, 4/01/39 (f)

7,459                      8,080,193

27,917,629

### Total Municipal Bonds Transferred to

### Tender Option Bond Trusts 44.8%

449,675,416

### Total Long-Term Investments

(Cost \$1,464,231,739) 158.4%

1,589,998,727

### Short-Term Securities

### Shares

FFI Institutional Tax-Exempt Fund, 0.01% (g)(h)

7,593,721                      7,593,721

**Total Short-Term Securities (Cost \$7,593,721) 0.8%**

7,593,721

**Total Investments (Cost \$1,471,825,460) 159.2%**

1,597,592,448

**Other Assets Less Liabilities 0.6%**

6,742,162

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

**Expense and Fees Payable (24.3)%**

(244,313,712)

**VRDP Shares, at Liquidation Value (35.5)%**

(356,400,000)

**Net Assets Applicable to Common Shares 100.0%**

\$ 1,003,620,898

### 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) Zero-coupon bond.

(c) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

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

Counterparty	Value	Unrealized Appreciation
JP Morgan Securities LLC	\$ 2,663,363	\$ 10,218
Morgan Stanley & Co. LLC	\$ 3,067,833	\$ 36,309

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)

- (e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts.
- (f) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB Trust certificates and proceeds received from the sale of the security contributed to the TOB Trust or in the event of a default on the security. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire from February 1, 2016 to December 1, 2029, is \$37,542,642.
- (g) During the year ended July 31, 2015, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliate	Shares Held at July 31, 2014	Net Activity	Shares Held at July 31, 2015	Income
FFI Institutional Tax-Exempt Fund	7,872,927	(279,206)	7,593,721	\$ 6,238

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

## Derivative Financial Instruments Outstanding as of July 31, 2015

## Financial Futures Contracts

Contracts	Short	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(415)		5-Year U.S. Treasury Note	Chicago Board of Trade	September 2015	\$ 49,735,156	\$ (263,219)
(286)		10-Year U.S. Treasury Note	Chicago Board of Trade	September 2015	\$ 36,447,125	(96,493)
<b>Total</b>						\$ (359,712)

## Derivative Financial Instruments Categorized by Risk Exposure

The following is a summary of the Fund's derivative financial instruments categorized by risk exposure. For information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

As of July 31, 2015, the fair values of derivative financial instruments were as follows:

						Foreign					
						Currency	Interest				
						Commodity	Credit	Equity	Exchange	Rate	
Statement of Assets and Liabilities Location						Contracts	Contracts	Contracts	Contracts	Contracts	Total
Derivative Financial Instruments		Liabilities									
Financial futures contracts		Net unrealized depreciation¹								\$ 359,712	\$ 359,712

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<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contract, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
<b>Net Realized Gain (Loss) from:</b>						
Financial futures contracts					\$ (3,077,659)	\$ (3,077,659)

				Foreign		
				Currency	Interest	
	Commodity	Credit	Equity	Exchange	Rate	
	Contracts	Contracts	Contracts	Contracts	Contracts	Total
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>						
Financial futures contracts					\$ (414,383)	\$ (414,383)

For the year ended July 31, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

Financial futures contracts:		
Average notional value of contracts	short	\$ 111,714,639

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniYield Quality Fund III, Inc.  
(MYI)**Fair Value Hierarchy as of July 31, 2015**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 3 of the Notes to Financial Statements.

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 1,589,998,727		\$ 1,589,998,727
Short-Term Securities	\$ 7,593,721			7,593,721
<b>Total</b>	\$ 7,593,721	\$ 1,589,998,727		\$ 1,597,592,448

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

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
<b>Liabilities:</b>				
Interest rate contracts	\$ (359,712)			\$ (359,712)

<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, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash pledged for financial futures contracts	\$ 759,600			\$ 759,600
<b>Liabilities:</b>				
TOB Trust Certificates		\$ (244,245,055)		(244,245,055)
VRDP Shares		(356,400,000)		(356,400,000)
<b>Total</b>	\$ 759,600	\$ (600,645,055)		\$ (599,885,455)

During the year ended July 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Statements of Assets and Liabilities

	<b>BlackRock MuniHoldings Quality Fund II, Inc. (MUE)</b>	<b>BlackRock MuniYield California Quality Fund, Inc. (MCA)</b>	<b>BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)</b>	<b>BlackRock MuniYield New York Quality Fund, Inc. (MYN)</b>	<b>BlackRock MuniYield Quality Fund III, Inc. (MYI)</b>
<b>July 31, 2015</b>					
<b>Assets</b>					
Investments at value unaffiliated	\$ 499,534,812	\$ 882,146,496	\$ 275,221,696	\$ 883,636,455	\$ 1,589,998,727
Investments at value affiliated	5,506,208	12,279,624	1,272,243	19,904,130	7,593,721
Cash pledged for financial futures contracts	307,800	135,000	32,400	541,350	759,600
Receivables:					
Interest	5,362,364	12,429,767	3,068,892	8,961,575	17,308,101
Investments sold				40,000	1,395,375
Deferred offering costs		294,744	206,948	392,214	517,147
Prepaid expenses	28,603	32,629	26,875	33,879	43,504
Total assets	510,739,787	907,318,260	279,829,054	913,509,603	1,617,616,175
<b>Accrued Liabilities</b>					
Payables:					
Income dividends Common Shares	1,531,035	2,510,956	762,200	2,454,368	5,021,814
Investment advisory fees	232,773	377,837	116,654	377,678	677,385
Interest expense and fees	15,284	32,998	3,015	30,332	68,657
Investments purchased		10,837,795	2,862,314	8,845,435	6,634,641
Reorganization costs			4,205		
Officers and Directors fees	3,819	219,608	2,152	232,232	397,094
Other accrued expenses	115,772	145,017	80,816	146,357	225,193
Variation margin payable on financial futures contracts	135,375	59,375	14,250	238,094	325,438
Total accrued liabilities	2,034,058	14,183,586	3,845,606	12,324,496	13,350,222
<b>Other Liabilities</b>					
TOB Trust Certificates	51,794,593	172,574,311	13,492,998	93,113,130	244,245,055
VMTP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup>	131,000,000				
VRDP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup>		166,500,000	87,300,000	247,700,000	356,400,000
Total other liabilities	182,794,593	339,074,311	100,792,998	340,813,130	600,645,055
Total liabilities	184,828,651	353,257,897	104,638,604	353,137,626	613,995,277
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 325,911,136</b>	<b>\$ 554,060,363</b>	<b>\$ 175,190,450</b>	<b>\$ 560,371,977</b>	<b>\$ 1,003,620,898</b>
<b>Net Assets Applicable to Common Shareholders Consist of</b>					
Paid-in capital <sup>5,6</sup>	\$ 300,037,517	\$ 492,909,374	\$ 162,561,309	\$ 532,506,126	\$ 946,927,038
Undistributed net investment income	2,677,255	3,977,109	964,074	4,861,917	15,310,295
Accumulated net realized loss	(20,803,272)	(1,684,131)	(5,082,725)	(32,887,939)	(84,023,711)
Net unrealized appreciation (depreciation)	43,999,636	58,858,011	16,747,792	55,891,873	125,407,276
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 325,911,136</b>	<b>\$ 554,060,363</b>	<b>\$ 175,190,450</b>	<b>\$ 560,371,977</b>	<b>\$ 1,003,620,898</b>
Net asset value, per Common Share	\$ 14.48	\$ 16.11	\$ 14.48	\$ 14.16	\$ 14.79
<sup>1</sup> Investments at cost unaffiliated	\$ 455,499,220	\$ 823,245,371	\$ 258,465,807	\$ 827,582,972	\$ 1,464,231,739
<sup>2</sup> Investments at cost affiliated	\$ 5,506,208	\$ 12,279,624	\$ 1,272,243	\$ 19,904,130	\$ 7,593,721
<sup>3</sup> Preferred Shares outstanding, par value \$0.10 per share	1,310	1,665	873	2,477	3,564
	9,490	12,665	4,833	14,637	26,364

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<sup>4</sup> Preferred Shares authorized, including Auction Market Preferred Shares

( AMPS )

<sup>5</sup> Common Shares outstanding, par value \$0.10 per share

<sup>6</sup> Common Shares authorized

22,515,224	34,396,651	12,098,420	39,586,584	67,862,354
199,990,510	199,987,335	199,995,167	199,985,363	199,973,636

See Notes to Financial Statements.

ANNUAL REPORT

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## Statements of Operations

	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)
<b>Year Ended July 31, 2015</b>					
<b>Investment Income</b>					
Interest	\$ 22,836,543	\$ 35,882,789	\$ 11,777,831	\$ 37,671,352	\$ 73,331,213
Dividend affiliated	1,843	2	2,172	3	6,238
Total income	22,838,386	35,882,791	11,780,003	37,671,355	73,337,451
<b>Expenses</b>					
Investment advisory	2,822,132	4,350,659	1,387,212	4,526,554	8,212,830
Professional	106,084	119,168	79,964	141,363	208,047
Accounting services	77,781	111,435	45,680	117,610	175,651
Transfer agent	37,202	35,748	23,849	47,314	87,257
Officer and Directors	29,122	39,202	16,110	39,253	71,935
Custodian	25,908	37,252	16,564	39,862	63,803
Printing	10,984	13,080	9,144	13,991	18,953
Registration	9,249	12,094	9,194	13,896	23,897
Reorganization costs			129,424		
Rating agency	33,877	33,877	33,877	33,877	33,877
Miscellaneous	41,790	53,973	37,574	68,514	96,476
Total expenses excluding interest expense, fees and amortization of offering costs	3,194,129	4,806,488	1,788,592	5,042,234	8,992,726
Interest expense, fees and amortization of offering costs <sup>1</sup>	1,756,473	2,606,965	945,859	3,110,080	5,208,506
Total expenses	4,950,602	7,413,453	2,734,451	8,152,314	14,201,232
Less fees waived by the Manager	(22,234)	(1,321)	(5,086)	(6,642)	(442)
Less reorganization costs reimbursed by the Manager			(115,000)		
Total expenses after fees waived and/or reimbursed	4,928,368	7,412,132	2,614,365	8,145,672	14,200,790
Net investment income	17,910,018	28,470,659	9,165,638	29,525,683	59,136,661
<b>Realized and Unrealized Gain (Loss)</b>					
Net realized gain (loss) from:					
Investments	955,115	5,649,692	1,415,092	1,785,026	5,512,706
Financial futures contracts	(1,137,324)	(944,153)	(22,812)	(2,219,717)	(3,077,659)
Capital gain distributions received from affiliated investment companies		106		567	
	(182,209)	4,705,645	1,392,280	(434,124)	2,435,047
Net change in unrealized appreciation (depreciation) on:					
Investments	2,512,421	(3,983,845)	1,632,331	4,600,232	(4,491,063)
Financial futures contracts	(125,896)	(127,871)	(29,511)	(385,025)	(414,383)
	2,386,525	(4,111,716)	1,602,820	4,215,207	(4,905,446)
Net realized and unrealized gain (loss)	2,204,316	593,929	2,995,100	3,781,083	(2,470,399)
<b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	<b>\$ 20,114,334</b>	<b>\$ 29,064,588</b>	<b>\$ 12,160,738</b>	<b>\$ 33,306,766</b>	<b>\$ 56,666,262</b>



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<sup>1</sup> Related to TOB Trusts, VMTP Shares and/or VRDP Shares.

See Notes to Financial Statements.

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# Statements of Changes in Net Assets

	BlackRock MuniHoldings Quality Fund II, Inc. (MUE) Year Ended July 31, 20152014	
Increase (Decrease) in Net Assets Applicable to Common Shareholders:		
Operations		
Net investment income	\$ 17,910,018	\$ 18,473,318
Net realized loss	(182,209)	(7,372,515)
Net change in unrealized appreciation (depreciation)	2,386,525	33,803,179
Net increase in net assets applicable to Common Shareholders resulting from operations	20,114,334	44,903,982
Distributions to Common Shareholders From¹		
Net investment income	(18,766,439)	(19,047,886)
Net Assets Applicable to Common Shareholders		
Total increase in net assets applicable to Common Shareholders	1,347,895	25,856,096
Beginning of year	324,563,241	298,707,145
End of year	\$ 325,911,136	\$ 324,563,241
Undistributed net investment income, end of year	\$ 2,677,255	\$ 3,433,241

	<b>BlackRock MuniYield California Quality Fund, Inc. (MCA) Year Ended July 31, 2015                      2014</b>	
<b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>		
<b>Operations</b>		
Net investment income	\$ 28,470,659	\$ 29,819,595
Net realized gain (loss)	4,705,645	(1,794,451)
Net change in unrealized appreciation (depreciation)	(4,111,716)	48,350,927
Net increase in net assets applicable to Common Shareholders resulting from operations	29,064,588	76,376,071
<b>Distributions to Common Shareholders From<sup>1</sup></b>		
Net investment income	(30,131,466)	(31,266,556)
<b>Net Assets Applicable to Common Shareholders</b>		
Total increase (decrease) in net assets applicable to Common Shareholders	(1,066,878)	45,109,515
Beginning of year	555,127,241	510,017,726
End of year	\$ 554,060,363	\$ 555,127,241
Undistributed net investment income, end of year	\$ 3,977,109	\$ 5,496,714

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.



## Statements of Changes in Net Assets

		<b>BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM) Year Ended July 31,</b>	
<b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>		<b>2015</b>	<b>2014</b>
<b>Operations</b>			
Net investment income	\$	9,165,638	\$ 9,506,271
Net realized gain (loss)		1,392,280	(5,114,709)
Net change in unrealized appreciation (depreciation)		1,602,820	17,403,906
Net increase in net assets applicable to Common Shareholders resulting from operations		12,160,738	21,795,468
<b>Distributions to Common Shareholders From<sup>1</sup></b>			
Net investment income		(9,545,653)	(9,854,163)
<b>Net Assets Applicable to Common Shareholders</b>			
Total increase in net assets applicable to Common Shareholders		2,615,085	11,941,305
Beginning of year		172,575,365	160,634,060
End of year	\$	175,190,450	\$ 172,575,365
Undistributed net investment income, end of year	\$	964,074	\$ 1,323,231

		<b>BlackRock MuniYield New York Quality Fund, Inc. (MYN) Year Ended July 31,</b>	
<b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>		<b>2015</b>	<b>2014</b>
<b>Operations</b>			
Net investment income	\$	29,525,683	\$ 30,963,379
Net realized loss		(434,124)	(15,290,126)
Net change in unrealized appreciation (depreciation)		4,215,207	53,389,204
Net increase in net assets applicable to Common Shareholders resulting from operations		33,306,766	69,062,457
<b>Distributions to Common Shareholders From<sup>1</sup></b>			
Net investment income		(30,541,049)	(32,718,944)
<b>Net Assets Applicable to Common Shareholders</b>			
Total increase in net assets applicable to Common Shareholders		2,765,717	36,343,513
Beginning of year		557,606,260	521,262,747
End of year	\$	560,371,977	\$ 557,606,260
Undistributed net investment income, end of year	\$	4,861,917	\$ 5,672,244

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

	BlackRock MuniYield Quality Fund III, Inc. (MYI) Year Ended July 31,	
	2015	2014
<b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>		
<b>Operations</b>		
Net investment income	\$ 59,136,661	\$ 60,545,009
Net realized gain (loss)	2,435,047	(6,658,344)
Net change in unrealized appreciation (depreciation)	(4,905,446)	86,903,888
Net increase in net assets applicable to Common Shareholders resulting from operations	56,666,262	140,790,553
<b>Distributions to Common Shareholders From<sup>1</sup></b>		
Net investment income	(60,336,418)	(59,311,697)
<b>Net Assets Applicable to Common Shareholders</b>		
Total increase (decrease) in net assets applicable to Common Shareholders	(3,670,156)	81,478,856
Beginning of year	1,007,291,054	925,812,198
End of year	\$ 1,003,620,898	\$ 1,007,291,054
Undistributed net investment income, end of year	\$ 15,310,295	\$ 16,728,795

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

## Statements of Cash Flows

	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)
<b>Year Ended July 31, 2015</b>					
<b>Cash Provided by (Used for) Operating Activities</b>					
Net increase in net assets resulting from operations	\$ 20,114,334	\$ 29,064,588	\$ 12,160,738	\$ 33,306,766	\$ 56,666,262
Proceeds from sales of long term investments	68,953,693	333,585,819	57,629,813	178,856,409	200,587,317
Purchases of long term investments	(66,606,289)	(368,955,524)	(59,038,758)	(168,212,805)	(176,065,354)
Net proceeds from sales (purchases) of short-term securities	(1,331,827)	(11,038,382)	997,415	(14,212,643)	279,206
<b>(Increase) decrease in assets:</b>					
Cash pledged for financial futures contracts	(20,800)	346,000	42,600	242,650	81,400
Interest receivable	63,782	(707,177)	(46,104)	598,108	388,605
Variation margin receivable on financial futures contracts	9,843	16,498	2,344	26,903	28,872
Prepaid expenses	(844)	(685)	(1,190)	(1,178)	(781)
<b>Increase (decrease) in liabilities:</b>					
Payables:					
Interest expense and fees	1,267	133	21	11,143	4,683
Investment advisory fees	498	16,820	833	(1,250)	(13,602)
Officers' and Directors' fees	(543)	12,579	272	12,310	23,550
Reorganization costs			4,205		
Other accrued expenses	6,170	5,567	(7,160)	2,343	5,889
Variation margin payable on financial futures contracts	135,375	59,375	14,250	238,094	325,438
Amortization of premium and accretion of discount on investments	1,520,906	4,111,320	862,083	2,764,301	(3,003,677)
Net realized gain on investments	(955,115)	(5,698,918)	(1,415,092)	(1,785,026)	(5,522,487)
Net unrealized (gain) loss on investments	(2,512,421)	3,983,845	(1,632,331)	(4,600,232)	4,491,063
Net cash provided by (used for) operating activities	19,378,029	(15,198,142)	9,573,939	27,245,893	78,276,384
<b>Cash Provided by (Used for) Financing Activities</b>					
Cash dividends paid to Common Shareholders	(18,822,727)	(30,131,466)	(9,581,949)	(30,640,016)	(60,336,418)
Repayments of TOB Trust Certificates	(2,022,881)	(28,723,050)		(1,951,088)	(38,917,781)
Proceeds from TOB Trust Certificates	1,320,322	73,899,988		5,330,000	20,655,509
Amortization of deferred offering costs	30,578	11,441	8,010	15,211	20,001
Net cash provided by (used for) financing activities	(19,494,708)	15,056,913	(9,573,939)	(27,245,893)	(78,578,689)
<b>Cash</b>					
Net increase (decrease) in cash	(116,679)	(141,229)			(302,305)
Cash at beginning of year	116,679	141,229			302,305
Cash at end of year					
<b>Supplemental Disclosure of Cash Flow Information</b>					
Cash paid during the year for interest expense and fees	\$ 1,724,628	\$ 2,595,391	\$ 937,828	\$ 3,083,726	\$ 5,183,822

See Notes to Financial Statements.

# Financial Highlights

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

	2015	2014	Year Ended July 31,		2011
	2015	2014	2013	2012	2011
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 14.42	\$ 13.27	\$ 15.18	\$ 13.07	\$ 13.57
Net investment income <sup>1</sup>	0.80	0.82	0.81	0.86	0.89
Net realized and unrealized gain (loss)	0.09	1.18	(1.87)	2.14	(0.49)
Distributions to AMPS Shareholders from net investment income				(0.01)	(0.02)
Net increase (decrease) from investment operations	0.89	2.00	(1.06)	2.99	0.38
Distributions to Common Shareholders from net investment income <sup>2</sup>	(0.83)	(0.85)	(0.85)	(0.88)	(0.88)
Net asset value, end of year	\$ 14.48	\$ 14.42	\$ 13.27	\$ 15.18	\$ 13.07
Market price, end of year	\$ 13.13	\$ 12.94	\$ 12.32	\$ 15.55	\$ 12.46
<b>Total Return Applicable to Common Shareholders<sup>3</sup></b>					
Based on net asset value	6.84%	16.19%	(7.41)%	23.64%	3.19%
Based on market price	7.96%	12.30%	(16.08)%	32.85%	(6.38)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>					
Total expenses	1.50%	1.61%	1.66%	1.52% <sup>4</sup>	1.30% <sup>4</sup>
Total expenses after fees waived	1.49%	1.56%	1.60%	1.46% <sup>4</sup>	1.23% <sup>4</sup>
Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>5</sup>	0.96%	0.95%	0.97%	1.00% <sup>4,6</sup>	1.07% <sup>4</sup>
Net investment income	5.41%	6.01%	5.36%	6.05% <sup>4</sup>	6.93% <sup>4</sup>
Distributions to AMPS Shareholders				0.04%	0.17%
Net investment income to Common Shareholders	5.41%	6.01%	5.36%	6.01%	6.76%
<b>Supplemental Data</b>					
Net assets applicable Common Shareholders, end of year (000)	\$ 325,911	\$ 324,563	\$ 298,707	\$ 341,144	\$ 293,356
AMPS outstanding at \$25,000 liquidation preference, end of year (000)					\$ 131,000
Asset coverage per AMPS at \$25,000 liquidation preference, end of year					\$ 80,983
VMTP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of year	\$ 348,787	\$ 347,758	\$ 328,021	\$ 360,416	
Borrowings outstanding, end of year (000)	\$ 51,795	\$ 52,497	\$ 81,123	\$ 88,921	\$ 62,183
Portfolio turnover rate	13%	28%	40%	36%	24%



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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Does not reflect the effect of distributions to AMPS Shareholders.
- <sup>5</sup> Interest expense, fees and amortization of offering costs relate to TOB Trusts and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts and VMTP Shares, respectively.
- <sup>6</sup> For the year ended July 31, 2012, the total expense ratio after fees waived and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.97%.

See Notes to Financial Statements.

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# Financial Highlights

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

	Year Ended July 31,				
	2015	2014	2013	2012	2011
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 16.14	\$ 14.83	\$ 16.60	\$ 14.31	\$ 14.66
Net investment income <sup>1</sup>	0.83	0.87	0.88	0.90	0.91
Net realized and unrealized gain (loss)	0.02	1.35	(1.74)	2.28	(0.37)
Distributions to AMPS Shareholders from net investment income					(0.02)
Net increase (decrease) from investment operations	0.85	2.22	(0.86)	3.18	0.52
Distributions to Common Shareholders from net investment income <sup>2</sup>	(0.88)	(0.91)	(0.91)	(0.89)	(0.87)
Net asset value, end of year	\$ 16.11	\$ 16.14	\$ 14.83	\$ 16.60	\$ 14.31
Market price, end of year	\$ 14.71	\$ 14.37	\$ 13.66	\$ 16.59	\$ 13.00
<b>Total Return Applicable to Common Shareholders<sup>3</sup></b>					
Based on net asset value	5.76%	16.04%	(5.41)%	23.15%	4.21%
Based on market price	8.47%	12.16%	(12.83)%	35.48%	(1.01)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>					
Total expenses	1.32%	1.40%	1.48%	1.62%	1.50% <sup>4</sup>
Total expenses after fees waived	1.32%	1.40%	1.48%	1.61%	1.49% <sup>4</sup>
Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>5</sup>	0.86%	0.90%	0.92%	1.20% <sup>6</sup>	1.15% <sup>4</sup>
Net investment income	5.09%	5.63%	5.37%	5.79%	6.49% <sup>4</sup>
Distributions to AMPS Shareholders					0.16%
Net investment income to Common Shareholders	5.09%	5.63%	5.37%	5.79%	6.33%
<b>Supplemental Data</b>					
Net assets applicable Common Shareholders, end of year (000)	\$ 554,060	\$ 555,127	\$ 510,018	\$ 570,559	\$ 491,798
VRDP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 166,500	\$ 166,500	\$ 166,500	\$ 166,500	\$ 166,500
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of year	\$ 432,769	\$ 433,410	\$ 406,317	\$ 442,678	\$ 395,374
Borrowings outstanding, end of year (000)	\$ 172,574	\$ 127,397	\$ 188,185	\$ 199,874	\$ 179,422
Portfolio turnover rate	36%	15%	25%	34%	26%

<sup>1</sup> Based on average Common Shares outstanding.

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- <sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Does not reflect the effect of distributions to AMPS Shareholders.
- <sup>5</sup> Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts and VRDP Shares, respectively.
- <sup>6</sup> For the year ended July 31, 2012, the total expense ratio after fees waived and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.95%.

See Notes to Financial Statements.

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# Financial Highlights

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

	Year Ended July 31,				
	2015	2014	2013	2012	2011
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 14.26	\$ 13.28	\$ 15.14	\$ 13.53	\$ 13.82
Net investment income <sup>1</sup>	0.76	0.79	0.81	0.80	0.86
Net realized and unrealized gain (loss)	0.25	1.00	(1.84)	1.68	(0.26)
Distributions to AMPS Shareholders from net investment income					(0.03)
Net increase (decrease) from investment operations	1.01	1.79	(1.03)	2.48	0.57
Distributions to Common Shareholders from net investment income <sup>2</sup>	(0.79)	(0.81)	(0.83)	(0.87)	(0.86)
Net asset value, end of year	\$ 14.48	\$ 14.26	\$ 13.28	\$ 15.14	\$ 13.53
Market price, end of year	\$ 12.56	\$ 12.56	\$ 11.64	\$ 14.52	\$ 12.28
<b>Total Return Applicable to Common Shareholders<sup>3</sup></b>					
Based on net asset value	7.97%	14.84%	(6.99)%	19.01%	4.74%
Based on market price	6.32%	15.39%	(14.99)%	25.76%	(3.89)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>					
Total expenses	1.55% <sup>4</sup>	1.55%	1.54%	1.71%	1.32% <sup>5</sup>
Total expenses after fees waived and/or reimbursed	1.48% <sup>4</sup>	1.55%	1.54%	1.71%	1.31% <sup>5</sup>
Total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs <sup>6</sup>	0.94% <sup>4</sup>	0.96%	0.95%	1.37% <sup>7</sup>	1.21% <sup>5</sup>
Net investment income	5.19%	5.81%	5.41%	5.56%	6.46% <sup>5</sup>
Distributions to AMPS Shareholders					0.23%
Net investment income to Common Shareholders	5.19%	5.81%	5.41%	5.56%	6.23%
<b>Supplemental Data</b>					
Net assets applicable Common Shareholders, end of year (000)	\$ 175,190	\$ 172,575	\$ 160,634	\$ 183,076	\$ 163,276
VRDP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 87,300	\$ 87,300	\$ 87,300	\$ 87,300	\$ 87,300
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of year	\$ 300,676	\$ 297,681	\$ 284,002	\$ 309,709	\$ 287,029
Borrowings outstanding, end of year (000)	\$ 13,493	\$ 13,492	\$ 19,344	\$ 16,718	\$ 9,030
Portfolio turnover rate	21%	17%	14%	19%	18%

<sup>1</sup> Based on average Common Shares outstanding.

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- <sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses, total expenses after fees waived and/or reimbursed and total expenses after fees waived and/or reimbursed and excluding interest expense would have been 1.47%, 1.47% and 0.93%, respectively, for the year ended July 31, 2015.
- <sup>5</sup> Does not reflect the effect of distributions to AMPS Shareholders.
- <sup>6</sup> Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts and VRDP Shares, respectively.
- <sup>7</sup> For the year ended July 31, 2012, the total expense ratio after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.98%.

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# Financial Highlights

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

	Year Ended July 31,				
	2015	2014	2013	2012	2011
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 14.09	\$ 13.17	\$ 15.07	\$ 13.44	\$ 13.89
Net investment income <sup>1</sup>	0.75	0.78	0.83	0.83	0.87
Net realized and unrealized gain (loss)	0.09	0.97	(1.88)	1.65	(0.44)
Distributions to AMPS Shareholders from net investment income					(0.03)
Net increase (decrease) from investment operations	0.84	1.75	(1.05)	2.48	0.40
Distributions to Common Shareholders from net investment income <sup>2</sup>	(0.77)	(0.83)	(0.85)	(0.85)	(0.85)
Net asset value, end of year	\$ 14.16	\$ 14.09	\$ 13.17	\$ 15.07	\$ 13.44
Market price, end of year	\$ 13.13	\$ 12.71	\$ 12.34	\$ 15.11	\$ 12.60
<b>Total Return Applicable to Common Shareholders<sup>3</sup></b>					
Based on net asset value	6.54%	14.21%	(7.33)%	19.10%	3.36%
Based on market price	9.52%	9.95%	(13.40)%	27.38%	(0.81)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>					
Total expenses	1.44%	1.50%	1.53%	1.65%	1.34% <sup>4</sup>
Total expenses after fees waived	1.44%	1.50%	1.53%	1.65%	1.33% <sup>4</sup>
Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>5</sup>	0.89%	0.91%	0.91%	1.27% <sup>6</sup>	1.14% <sup>4</sup>
Net investment income	5.22%	5.82%	5.59%	5.78%	6.55% <sup>4</sup>
Distributions to AMPS Shareholders					0.21%
Net investment income to Common Shareholders	5.22%	5.82%	5.59%	5.78%	6.34%
<b>Supplemental Data</b>					
Net assets applicable to Common Shareholders, end of year (000)	\$ 560,372	\$ 557,606	\$ 521,263	\$ 594,807	\$ 530,058
VRDP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 247,700	\$ 247,700	\$ 247,700	\$ 247,700	\$ 247,700
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of year	\$ 326,230	\$ 325,114	\$ 310,441	\$ 340,132	\$ 313,992
Borrowings outstanding, end of year (000)	\$ 93,113	\$ 89,734	\$ 108,615	\$ 117,960	\$ 78,615
Portfolio turnover rate	20%	18%	10%	17%	18%

<sup>1</sup> Based on average Common Shares outstanding.

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- <sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Does not reflect the effect of distributions to AMPS Shareholders.
- <sup>5</sup> Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details of municipal bonds transferred to TOB Trusts and VRDP Shares, respectively.
- <sup>6</sup> For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.92%.

See Notes to Financial Statements.

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## Financial Highlights

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

	2015	Year Ended July 31,		2012	2011
		2014	2013		
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 14.84	\$ 13.64	\$ 15.32	\$ 13.19	\$ 13.67
Net investment income <sup>1</sup>	0.87	0.89	0.89	0.87	0.89
Net realized and unrealized gain (loss)	(0.03)	1.18			