

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

Form N-CSRS

April 02, 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 811-08573

Name of Fund: BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2015

Date of reporting period: 01/31/2015

Item 1 Report to Stockholders

**SEMI-ANNUAL REPORT (UNAUDITED)**

**BlackRock MuniHoldings California Quality Fund, Inc. (MUC)**

**BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)**

**BlackRock MuniYield Investment Quality Fund (MFT)**

**BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)**

**BlackRock MuniYield New Jersey Quality Fund, Inc. (MJJ)**

**BlackRock MuniYield Pennsylvania Quality Fund (MPA)**

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

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## The Markets in Review

Dear Shareholder,

Market volatility, while remaining below the long-term average level, increased over the course of 2014 and into 2015, driven largely by higher valuations in risk assets (such as equities and high yield bonds), escalating geopolitical risks, uneven global economic growth and expectations around policy moves from the world's largest central banks. Surprisingly, U.S. interest rates trended lower through the period even as the U.S. Federal Reserve (the Fed) gradually reduced its bond buying program, which ultimately ended in October.

The first half of 2014 was generally a strong period for most asset classes; however, volatility ticked up in the summer as geopolitical tensions intensified in Ukraine and the Middle East and investors feared that better U.S. economic indicators may compel the Fed to increase short-term interest rates sooner than previously anticipated. Global credit markets tightened as the U.S. dollar strengthened versus other currencies, ultimately putting a strain on investor flows, and financial markets broadly weakened in the third quarter.

Several themes dominated the markets in the fourth quarter that resulted in the strong performance of U.S. markets versus other areas of the world. Economic growth strengthened considerably in the United States while the broader global economy showed signs of slowing. The European Central Bank and the Bank of Japan took aggressive measures to stimulate growth while the Fed moved toward tighter policy, causing further strengthening in the U.S. dollar. Fixed income investors piled into U.S. Treasuries where yields, although persistently low, were comparatively higher than yields on international sovereign debt, while equity investors favored the relative stability of U.S.-based companies amid rising global risks.

Oil prices, which had been gradually declining since mid-summer, suddenly plummeted in the fourth quarter due to a global supply-and-demand imbalance. Energy stocks sold off sharply and oil-exporting economies struggled, mainly within emerging markets. Conversely, the consumer sectors benefited from lower oil prices as savings at the gas pumps freed up discretionary income for other goods and services.

These trends shifted at the beginning of 2015. U.S. equity markets starkly underperformed international markets due to stretched valuations and uncertainty around the Fed's pending rate hike. In addition, the stronger U.S. dollar began to hurt earnings of large cap companies. The energy sector continued to struggle, although oil prices showed signs of stabilizing toward the end of January as suppliers became more disciplined in their exploration and production efforts.

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 January 31, 2015

|  | 6-month | 12-month |
|--|---------|----------|
| U.S. large cap equities<br>(S&P 500® Index)          | 4.37%   | 14.22%   |
| U.S. small cap equities<br>(Russell 2000® Index)     | 4.72    | 4.41     |
| International equities<br>(MSCI Europe, Australasia, | (6.97)  | (0.43)   |

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|  |        |       |
|--|--------|-------|
| Far East Index)  |        |       |
| Emerging market equities<br>(MSCI Emerging Markets<br>Index)                               | (9.05) | 5.23  |
| 3-month Treasury bills<br>(BofA Merrill Lynch<br>3-Month U.S. Treasury                     | 0.01   | 0.03  |
| Bill Index)  |        |       |
| U.S. Treasury securities<br>(BofA Merrill Lynch<br>10-Year U.S. Treasury Index)            | 9.29   | 12.25 |
| U.S. investment-grade bonds<br>(Barclays U.S.<br>Aggregate Bond Index)                     | 4.36   | 6.61  |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                                | 4.51   | 8.81  |
| U.S. high yield bonds<br>(Barclays U.S. Corporate<br>High Yield 2% Issuer<br>Capped Index) | (0.89) | 2.41  |

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 January 31, 2015

### Municipal Market Conditions

Municipal bonds generated strong performance in 2014, thanks to a favorable supply-and-demand environment and declining interest rates. (Bond prices rise as rates fall.) Investor demand for municipal bonds was strong from the start of the year when U.S. economic data softened amid one of the harshest winters on record. Interest rates proceeded to move lower even as the U.S. Federal Reserve (the Fed) scaled back its open-market bond purchases. This surprising development, 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. For the 12-month period ended January 31, 2015, municipal bonds garnered net inflows of approximately \$32 billion (based on data from the Investment Company Institute).

From a historical perspective, total new issuance for the 12 months ended January 31, remained relatively strong at \$342 billion (slightly higher than the \$326 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 45%) as issuers took advantage of lower interest rates to reduce their borrowing costs.

|                                      |       |
|--------------------------------------|-------|
| S&P Municipal Bond Index             |       |
| Total Returns as of January 31, 2015 |       |
| 6 months:                            | 4.51% |
| 12 months:                           | 8.81% |

### A Closer Look at Yields

From January 31, 2014 to January 31, 2015, yields on AAA-rated 30-year municipal bonds decreased by 135 basis points ( bps ) from 3.85% to 2.50%, while 10-year rates decreased 81 bps from 2.53% to 1.72% and 5-year rates decreased 16 bps from 1.10% to 0.94% (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 146 bps and the spread between 2- and 10-year maturities flattened by 92 bps.

During the same time period, U.S. Treasury rates fell by 136 bps on 30-year bonds, 99 bps on 10-year bonds and 32 bps in 5-year issues. Accordingly, tax-exempt municipal bond performance was generally in line with Treasuries on both the long and short ends of the curve, while lagging in the intermediate portion of the curve as a result of increased supply. Municipals modestly outperformed Treasuries in the very short end of the curve as expectations around future Fed policy changes pressured short-term U.S. Treasury prices. Positive performance on the long end of the curve 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. The municipal market continues to be an attractive avenue for investors seeking yield in the low-rate environment. However, opportunities have not been as broad-based as in 2011 and 2012, warranting a more flexible approach to security selection and yield curve positioning going forward.

### Financial Conditions of Municipal Issuers Continue to Improve

Following an extended period of nation-wide austerity and de-leveraging as states sought to balance their budgets, solid revenue growth exceeding pre-recession levels coupled with the elimination of more than 625,000 jobs in recent years have put state and local governments in a better financial position. Many local municipalities, however, continue to face increased health care and pension costs passed down from the state level. BlackRock maintains the view that municipal bond defaults will remain minimal and in the periphery, and that 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.

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



## The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and net asset value ( NAV ) of their common shares ( Common Shares ). However, these objectives cannot be achieved in all interest rate environments.

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

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

Leverage also 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 Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Fund to incur losses. The use of leverage may limit the Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The Fund incurs expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

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

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

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

## Derivative Financial Instruments

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.

**Fund Summary** as of January 31, 2015**BlackRock MuniHoldings California Quality Fund, Inc.****Fund Overview**

BlackRock MuniHoldings California Quality Fund, Inc. s (MUC) (the Fund ) investment objective is to provide shareholders with current income exempt from federal and California income taxes. The Fund seeks to achieve its investment objective by investing primarily 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 at least 80% of its assets in investment grade municipal obligations with remaining maturities of one year or more at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six-month period ended January 31, 2015, the Fund returned 10.28% based on market price and 6.00% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 12.10% based on market price and 7.85% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

Municipal bonds generally delivered strong performance during the six-month period, with yields declining as prices rose. California issues gained an additional boost from the state s improving credit profile. Longer-term municipal bonds generally outperformed shorter-term issues. In this environment, the Fund s exposure to the long end of the yield curve had a positive impact on performance. Its positions in AA-rated issues, tax-backed bonds issued by local authorities, and the health care, transportation and utilities sectors also helped returns. Leverage on the Fund s assets amplified the positive effect of falling rates on 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.

**Fund Information**

|   |                   |
|---|-------------------|
| Symbol on New York Stock Exchange ( NYSE )                                  | MUC               |
| Initial Offering Date   | February 27, 1998 |
| Yield on Closing Market Price as of January 31, 2015 (\$15.05) <sup>1</sup> | 5.38%             |
| Tax Equivalent Yield <sup>2</sup>   | 10.96%            |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.0675          |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.8100          |
| Economic Leverage as of January 31, 2015 <sup>4</sup>                       | 35%               |

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

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

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

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

## BlackRock MuniHoldings California Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

|                 | 1/31/15 | 7/31/14 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$15.05 | \$14.04 | 7.19%  | \$15.09 | \$13.98 |
| Net Asset Value | \$16.30 | \$15.82 | 3.03%  | \$16.30 | \$15.82 |

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

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

| Sector Allocation                            | 1/31/15 | 7/31/14 |
|--|---------|---------|
| County/City/Special District/School District | 34%     | 37%     |
| Utilities                                    | 26      | 25      |
| Transportation                               | 13      | 14      |
| Health                                       | 13      | 12      |
| Education                                    | 7       | 6       |
| State  | 7       | 6       |

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

| Credit Quality Allocation <sup>1</sup> | 1/31/15 | 7/31/14 |
|--|---------|---------|
| AAA/Aaa                                | 9%      | 15%     |
| AA/Aa                                  | 74      | 76      |
| A                                      | 17      | 9       |

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

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

Calendar Year Ended December 31,

|      |    |
|------|----|
| 2015 | 8% |
| 2016 | 9  |
| 2017 | 13 |
| 2018 | 13 |
| 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 January 31, 2015

BlackRock MuniHoldings New Jersey Quality Fund, Inc.

**Fund Overview**

BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ) (the Fund) investment objective is to provide shareholders with current income exempt from federal income tax and New Jersey personal 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) and New Jersey personal income taxes. 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.

On December 5, 2014, the Boards of the Fund and BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI) approved the reorganization of MJI with and into the Fund, with the Fund continuing as the surviving fund after the reorganization. At a special shareholder meeting on March 12, 2015, the requisite shareholders of the Fund approved the reorganization of MJI with and into the Fund, which is expected to be completed in April 2015.

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

**Performance**

For the six-month period ended January 31, 2015, the Fund returned 10.11% based on market price and 8.60% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 8.91% based on market price and 7.86% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Fund's duration positioning made the largest contribution to performance, as yields on municipal bonds decreased substantially during the period. (Bond prices rise as yields fall; duration measures sensitivity to interest rate movements). The income generated from the Fund's holdings of New Jersey tax-exempt municipal bonds contributed to performance as well. The Fund's exposure to the long end of the yield curve helped performance as the yield curve flattened substantially over the period (long-term rates fell much more than intermediate rates, while two-year rates rose). The Fund also benefited from its credit exposure as spreads generally tightened, especially in the tax-backed state, tax-backed local and health care sectors. In addition, the Fund's use of leverage amplified the positive effect of falling rates on 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.

**Fund Information**

|   |                |
|---|----------------|
| Symbol on NYSE  | MUJ            |
| Initial Offering Date   | March 11, 1998 |
| Yield on Closing Market Price as of January 31, 2015 (\$15.07) <sup>1</sup> | 5.89%          |
| Tax Equivalent Yield <sup>2</sup>   | 11.43%         |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.074        |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.888        |
| Economic Leverage as of January 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.

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- <sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 48.48%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

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**BlackRock MuniHoldings New Jersey Quality Fund, Inc.**

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

|                 | <b>1/31/15</b> | <b>7/31/14</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$ 15.07       | \$ 14.11       | 6.80%         | \$ 15.18    | \$ 13.84   |
| Net Asset Value | \$ 16.58       | \$ 15.74       | 5.34%         | \$ 16.58    | \$ 15.74   |

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

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

| <b>Sector Allocation</b>                     | <b>1/31/15</b> | <b>7/31/14</b> |
|--|----------------|----------------|
| State  | 24%            | 22%            |
| Transportation                               | 22             | 23             |
| Education                                    | 18             | 18             |
| County/City/Special District/School District | 16             | 14             |
| Health                                       | 12             | 12             |
| Housing                                      | 4              | 6              |
| Utilities                                    | 3              | 3              |
| Corporate                                    | 1              | 2              |

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

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

Calendar Year Ended December 31,

|      |    |
|------|----|
| 2015 | 8% |
| 2016 | 3  |
| 2017 | 7  |
| 2018 | 9  |
| 2019 | 3  |

<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.

**Credit Quality Allocation<sup>1</sup>**

|                 | 1/31/15 | 7/31/14 |
|-----------------|---------|---------|
| AAA/Aaa         | 9%      | 9%      |
| AA/Aa           | 50      | 51      |
| A               | 35      | 33      |
| BBB/Baa         | 6       | 7       |
| NR <sup>2</sup> |         |         |

<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.

<sup>2</sup> The investment advisor evaluates the credit quality of unrated 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 January 31, 2015, and July 31, 2014, the market value of unrated securities deemed by the investment advisor to be of investment grade was \$10,041, representing less than 1%, and \$10,039, representing less than 1%, respectively, of the Fund's total investments.

## Fund Summary as of January 31, 2015

BlackRock MuniYield Investment Quality Fund

## Fund Overview

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

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

## Performance

For the six-month period ended January 31, 2015, the Fund returned 11.83% based on market price and 9.03% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.69% based on market price and 8.99% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

Municipal bonds generally delivered strong performance during the six-month period, with yields declining as prices rose. Long-term bonds outperformed their short-term counterparts, leading 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 and tax-backed sectors experienced the best price action on an absolute basis. The income generated from the Fund's holdings of tax-exempt municipal bonds contributed to performance as well. Leverage on the Fund's assets amplified the positive effect of falling rates on 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.

## Fund Information

|   |                  |
|---|------------------|
| Symbol on NYSE  | MFT              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2015 (\$14.38) <sup>1</sup> | 5.92%            |
| Tax Equivalent Yield <sup>2</sup>   | 10.46%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.071          |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.852          |
| Economic Leverage as of January 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 TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

**BlackRock MuniYield Investment Quality  
Fund**

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

|                 | <b>1/31/15</b> | <b>7/31/14</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$ 14.38       | \$ 13.26       | 8.45%         | \$ 14.38    | \$ 13.18   |
| Net Asset Value | \$ 15.68       | \$ 14.83       | 5.73%         | \$ 15.68    | \$ 14.83   |

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

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

| <b>Sector Allocation</b>                     | <b>1/31/15</b> | <b>7/31/14</b> |
|--|----------------|----------------|
| Transportation                               | 36%            | 36%            |
| Utilities                                    | 19             | 21             |
| County/City/Special District/School District | 19             | 18             |
| State  | 11             | 9              |
| Health                                       | 10             | 11             |
| Education                                    | 2              | 2              |
| Housing                                      | 2              | 2              |
| Tobacco                                      | 1              | 1              |

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

| <b>Credit Quality Allocation<sup>1</sup></b> | <b>1/31/15</b> | <b>7/31/14</b> |
|--|----------------|----------------|
| AAA/Aaa                                      | 7%             | 6%             |
| AA/Aa  | 62             | 62             |
| A  | 26             | 27             |
| BBB/Baa                                      | 5              | 5              |

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

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

Calendar Year Ended December 31,

|      |    |
|------|----|
| 2015 |    |
| 2016 | 2% |
| 2017 | 2  |

2018  
2019

11  
26

<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 January 31, 2015

BlackRock MuniYield Michigan Quality Fund, Inc.

## Fund Overview

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

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

## Performance

For the six-month period ended January 31, 2015, the Fund returned 11.12% based on market price and 9.58% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 8.27% based on market price and 7.81% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Fund's duration positioning made the largest contribution to performance, as yields on municipal bonds decreased substantially during the period. (Bond prices rise as yields fall; duration measures sensitivity to interest rate movements). The income generated from the Fund's holdings of Michigan tax-exempt municipal bonds contributed to performance as well. The Fund's exposure to the long end of the yield curve helped performance as the yield curve flattened substantially over the period (long-term rates fell much more than intermediate rates, while two-year rates rose). The Fund also benefited from its credit exposure as spreads generally tightened, especially in the utilities sector. In addition, the Fund's use of leverage amplified the positive effect of falling rates on 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.

## Fund Information

|   |                  |
|---|------------------|
| Symbol on NYSE  | MIY              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2015 (\$14.51) <sup>1</sup> | 5.95%            |
| Tax Equivalent Yield <sup>2</sup>   | 10.98%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.072          |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.864          |
| Economic Leverage as of January 31, 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 and state tax rate of 45.81%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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



## BlackRock MuniYield Michigan Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

|                 | 1/31/15 | 7/31/14 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$14.51 | \$13.47 | 7.72%  | \$14.56 | \$13.31 |
| Net Asset Value | \$16.19 | \$15.24 | 6.23%  | \$16.19 | \$15.24 |

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

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

| Sector Allocation                            | 1/31/15 | 7/31/14 |
|--|---------|---------|
| Education                                    | 23%     | 21%     |
| Health                                       | 19      | 18      |
| County/City/Special District/School District | 17      | 19      |
| State  | 13      | 11      |
| Utilities                                    | 10      | 13      |
| Transportation                               | 9       | 9       |
| Housing                                      | 6       | 6       |
| Corporate                                    | 3       | 3       |

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

| Credit Quality Allocation <sup>1</sup> | 1/31/15 | 7/31/14 |
|--|---------|---------|
| AAA/Aaa                                | 1%      | 3%      |
| AA/Aa                                  | 67      | 73      |
| A                                      | 29      | 24      |
| BBB/Baa                                | 2       |         |
| N/R                                    | 1       |         |

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

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

Calendar Year Ended December 31,

|      |    |
|------|----|
| 2015 | 6% |
| 2016 | 6  |
| 2017 | 7  |
| 2018 | 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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## Fund Summary as of January 31, 2015

BlackRock MuniYield New Jersey Quality Fund, Inc.

## Fund Overview

BlackRock MuniYield New Jersey Quality Fund, Inc.'s (MJJ) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New Jersey personal income tax 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 Jersey 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.

On December 5, 2014, the Boards of the Fund and BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ) approved the reorganization of the Fund with and into MUJ, with MUJ continuing as the surviving fund after the reorganization. At a special shareholder meeting on March 12, 2015, the shareholders of the Fund approved the reorganization of the Fund with and into MUJ, which is expected to be completed in April 2015.

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

## Performance

For the six-month period ended January 31, 2015, the Fund returned 8.67% based on market price and 9.08% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 8.91% based on market price and 7.86% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV widened during the period, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Fund's duration positioning made the largest contribution to performance, as yields on municipal bonds decreased substantially during the period. (Bond prices rise as yields fall; duration measures sensitivity to interest rate movements). The income generated from the Fund's holdings of New Jersey tax-exempt municipal bonds contributed to performance as well. The Fund's exposure to the long end of the yield curve helped performance as the yield curve flattened substantially over the period (long-term rates fell much more than intermediate rates, while two-year rates rose). The Fund also benefited from its credit exposure as spreads generally tightened, especially in the tax-backed state and health care sectors. In addition, the Fund's use of leverage amplified the positive effect of falling rates on 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.

## Fund Information

|   |                  |
|---|------------------|
| Symbol on NYSE  | MJJ              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2015 (\$14.91) <sup>1</sup> | 5.96%            |
| Tax Equivalent Yield <sup>2</sup>   | 11.57%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.074          |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.888          |
| Economic Leverage as of January 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.

## Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-CSRS

- <sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 48.48%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

## BlackRock MuniYield New Jersey Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

|                 | 1/31/15 | 7/31/14 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$14.91 | \$14.15 | 5.37%  | \$14.98 | \$13.75 |
| Net Asset Value | \$16.51 | \$15.61 | 5.77%  | \$16.51 | \$15.61 |

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

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

| Sector Allocation                            | 1/31/15 | 7/31/14 |
|--|---------|---------|
| Transportation                               | 23%     | 24%     |
| Education                                    | 22      | 22      |
| State  | 18      | 17      |
| County/City/Special District/School District | 13      | 12      |
| Health                                       | 11      | 11      |
| Housing                                      | 5       | 6       |
| Utilities                                    | 4       | 4       |
| Corporate                                    | 4       | 4       |

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

| Credit Quality Allocation <sup>1</sup> | 1/31/15 | 7/31/14 |
|--|---------|---------|
| AAA/Aaa                                | 5%      | 6%      |
| AA/Aa                                  | 50      | 51      |
| A                                      | 38      | 36      |
| BBB/Baa                                | 7       | 7       |

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

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

Calendar Year Ended December 31,

|      |    |
|------|----|
| 2015 | 7% |
| 2016 | 3  |
| 2017 | 7  |

2018  
2019

8  
7

<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 January 31, 2015

BlackRock MuniYield Pennsylvania Quality Fund

## Fund Overview

BlackRock MuniYield Pennsylvania Quality Fund's (MPA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and Pennsylvania 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 Pennsylvania 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 December 5, 2014, the Boards of the Fund and BlackRock Pennsylvania Strategic Municipal Trust (BPS) approved the reorganization of BPS with and into the Fund, with the Fund continuing as the surviving fund after the reorganization. At a special shareholder meeting on March 12, 2015, the requisite shareholders of the Fund approved the reorganization of BPS with and into the Fund, which is expected to be completed in April 2015.

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

## Performance

For the six-month period ended January 31, 2015, the Fund returned 12.17% based on market price and 7.63% based on NAV. For the same period, the closed-end Lipper Pennsylvania Municipal Debt Funds category posted an average return of 8.72% based on market price and 7.76% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

Municipal bonds generally delivered positive performance during the six-month period, with yields declining as prices rose. In this environment, the Fund's duration exposure (sensitivity to interest rate movements) contributed positively to performance. The Fund's exposure to long-maturity bonds benefited performance given that the yield curve flattened, with rates falling more significantly in the 20- to 30-year maturity range than for bonds of other maturities. In addition, the Fund's exposure to zero-coupon bonds, which outperformed current-coupon bonds, benefited returns. The income generated from coupon payments on the Fund's portfolio of Pennsylvania tax-exempt bonds also contributed to performance. The Fund's positions in the health care sector provided the largest total returns for the period. Leverage on the Fund's assets amplified the positive effect of falling rates on 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.

## Fund Information

|   |                  |
|---|------------------|
| Symbol on NYSE  | MPA              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2015 (\$15.11) <sup>1</sup> | 5.88%            |
| Tax Equivalent Yield <sup>2</sup>   | 10.72%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.074          |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.888          |
| Economic Leverage as of January 31, 2015 <sup>4</sup>                       | 35%              |

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

## Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-CSRS

- <sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 45.14%, 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 monthly distribution per Common Share, declared on March 2, 2015, was decreased to \$0.0715 per share. The yield on closing market price, current monthly distribution per Common Share, and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- <sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.



## BlackRock MuniYield Pennsylvania Quality Fund

## Market Price and Net Asset Value Per Share Summary

|                 | 1/31/15  | 7/31/14  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 15.11 | \$ 13.89 | 8.78%  | \$ 15.27 | \$ 13.85 |
| Net Asset Value | \$ 16.46 | \$ 15.77 | 4.38%  | \$ 16.46 | \$ 15.77 |

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

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

| Sector Allocation                            | 1/31/15 | 7/31/14 |
|--|---------|---------|
| County/City/Special District/School District | 25%     | 25%     |
| Health                                       | 19      | 17      |
| State  | 15      | 16      |
| Education                                    | 14      | 10      |
| Transportation                               | 8       | 11      |
| Corporate                                    | 7       | 8       |
| Utilities                                    | 7       | 7       |
| Housing                                      | 5       | 6       |

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

| Credit Quality Allocation <sup>1</sup> | 1/31/15 | 7/31/14 |
|--|---------|---------|
| AAA/Aaa                                | 1%      | 1%      |
| AA/Aa                                  | 71      | 74      |
| A                                      | 21      | 19      |
| BBB/Baa                                | 6       | 6       |
| N/R <sup>2</sup>                       | 1       |         |

<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.

<sup>2</sup> The investment advisor evaluates the credit quality of unrated 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 January 31, 2015 and July 31, 2014, the market value of unrated securities deemed by the investment advisor to be investment grade was \$560,965, representing less than 1%, and \$539,850, representing less than 1%, respectively, of the Fund's total investments.

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

Calendar Year Ended December 31,

|      |     |
|------|-----|
| 2015 | 12% |
| 2016 | 10  |
| 2017 | 6   |
| 2018 | 12  |
| 2019 | 12  |

<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.

## Schedule of Investments January 31, 2015 (Unaudited)

## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

|  | (Percentages shown are based on Net Assets) |               |
|--|---|---------------|
|  | Par   |               |
|  | (000)                                       | Value         |
| <b>Municipal Bonds</b>   |   |               |
| <b>California 117.4%</b>   |   |               |
| <b>Corporate 0.4%</b>  |   |               |
| City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34                                   | \$ 2,435                                    | \$ 2,923,145  |
| <b>County/City/Special District/School District 33.9%</b>  |   |               |
| Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 8/01/41  | 9,100                                       | 11,108,643    |
| City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26  | 4,040                                       | 4,056,766     |
| County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35                                      | 3,500                                       | 4,120,795     |
| County of Los Angeles California Sanitation Districts Financing Authority, Refunding RB, (BHAC), 5.00%, 10/01/34                   | 7,915                                       | 8,178,253     |
| County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/35   | 2,500                                       | 2,859,100     |
| County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36          | 2,665                                       | 3,291,621     |
| County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/33                            | 5,060                                       | 5,860,037     |
| Culver City Redevelopment Finance Authority California, Refunding, Tax Allocation Bonds, Series A (AGM), 5.60%, 11/01/25           | 3,750                                       | 3,765,863     |
| Foothill-De Anza Community College District, GO, Election of 2006, Series C, 5.00%, 8/01/40  | 30,000                                      | 34,807,500    |
| Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/40   | 5,500                                       | 6,577,615     |
| Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40  | 2,000                                       | 2,492,340     |
| Kern Community College District, GO, Safety Repair & Improvements, Series C: 5.25%, 11/01/32                                       | 5,715                                       | 6,948,411     |
| 5.75%, 11/01/34  | 12,085                                      | 15,254,412    |
| Los Alamitos Unified School District, GO, Refunding, School Facilities Improvement, Series E, 5.25%, 8/01/39                       | 3,700                                       | 4,443,663     |
| Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35  | 11,000                                      | 12,775,290    |
| Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35                                 | 10,000                                      | 11,343,800    |
| Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33  | 5,000                                       | 5,670,150     |
| Riverside Community College District, GO, Election of 2004, Series C (AGM), 5.00%, 8/01/32   | 8,750                                       | 9,603,825     |
| San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31                                    | 10,750                                      | 11,457,565    |
| San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/29                              | 905   | 1,058,217     |
|  | <b>Par</b>                                  |               |
|  | (000)                                       | Value         |
| <b>Municipal Bonds</b>   |   |               |
| <b>California (continued)</b>  |   |               |
| <b>County/City/Special District/School District (concluded)</b>  |   |               |
| San Francisco California Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30                           | \$ 21,600                                   | \$ 22,033,080 |
| San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A: 5.75%, 5/01/36           | 2,560                                       | 2,714,522     |
| 5.75%, 5/01/42   | 4,500                                       | 5,444,955     |
| San Jose California Financing Authority, Refunding LRB, Convention Center Expansion & Renovation Project, Series A, 5.00%, 6/01/39 | 9,350                                       | 10,937,723    |
| Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38                                     | 5,635                                       | 6,659,499     |
| West Contra Costa California Unified School District, GO: Election of 2010, Series A (AGM), 5.25%, 8/01/41                         | 5,390                                       | 6,280,105     |
| Election of 2010, Series B, 5.50%, 8/01/39   | 3,195                                       | 3,862,499     |
| Election of 2012, Series A, 5.50%, 8/01/39   | 2,500                                       | 3,022,300     |
|  |   | 226,628,549   |
| <b>Education 3.6%</b>  |   |               |
| California Educational Facilities Authority, RB: California Institute of Technology, 5.00%, 11/01/39                               | 2,000                                       | 2,318,880     |
| University of Southern California, Series A, 5.25%, 10/01/38   | 2,300                                       | 2,627,796     |
| California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42  | 2,750                                       | 3,280,915     |
| Gavilan Joint Community College District, GO, Election of 2004: Series D, 5.50%, 8/01/31   | 2,170                                       | 2,581,410     |

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|  |       |            |
|--|-------|------------|
| Series D, 5.75%, 8/01/35   | 8,400 | 10,101,756 |
| Series L, 5.00%, 5/15/36   | 3,030 | 3,232,738  |
|  |       | 24,143,495 |
| <b>Health 17.0%</b>  |       |            |
| ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare: |       |            |
| Series A, 6.00%, 8/01/30   | 2,305 | 2,843,886  |
| Series B, 6.25%, 8/01/39   | 6,305 | 7,507,300  |
| California Health Facilities Financing Authority, RB:                        |       |            |
| Children's Hospital, Series A, 5.25%, 11/01/41                               | 8,620 | 9,757,754  |
| Kaiser Permanente, Series A, 5.25%, 4/01/39                                  | 7,275 | 7,577,786  |
| Providence Health Services, Series B, 5.50%, 10/01/39                        | 4,130 | 4,842,673  |
| Sutter Health, Series A, 5.25%, 11/15/46                                     | 7,500 | 8,064,675  |
| Sutter Health, Series B, 6.00%, 8/15/42                                      | 9,655 | 11,694,522 |

**Portfolio Abbreviations**

|             |                                      |              |   |
|-------------|--------------------------------------|--------------|---|
| <b>AGC</b>  | Assured Guarantee Corp.              | <b>GO</b>    | General Obligation Bonds                |
| <b>AGM</b>  | Assured Guaranty Municipal Corp.     | <b>HFA</b>   | Housing Finance Agency                  |
| <b>AMT</b>  | Alternative Minimum Tax (subject to) | <b>IDA</b>   | Industrial Development Authority        |
| <b>ARB</b>  | Airport Revenue Bonds                | <b>IDB</b>   | Industrial Development Board            |
| <b>BARB</b> | Building Aid Revenue Bonds           | <b>ISD</b>   | Independent School District             |
| <b>COP</b>  | Certificates of Participation        | <b>LRB</b>   | Lease Revenue Bonds                     |
| <b>EDA</b>  | Economic Development Authority       | <b>NPFGC</b> | National Public Finance Guarantee Corp. |
| <b>ERB</b>  | Education Revenue Bonds              | <b>RB</b>    | Revenue Bonds                           |
| <b>GARB</b> | General Airport Revenue Bonds        | <b>S/F</b>   | Single-Family                           |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

|  | (Percentages shown are based on Net Assets) |              |
|--|---|--------------|
|  | Par   |              |
|  | (000)                                       | Value        |
| <b>Municipal Bonds</b>   |   |              |
| <b>California (continued)</b>  |   |              |
| <b>Health (concluded)</b>  |   |              |
| California Health Facilities Financing Authority, Refunding RB:  |   |              |
| Catholic Healthcare West, Series A, 6.00%, 7/01/34   | \$ 3,700                                    | \$ 4,398,893 |
| Providence Health and Services, Series A, 5.00%, 10/01/38  | 10,970                                      | 12,971,038   |
| St. Joseph's Health System, Series A, 5.00%, 7/01/37   | 10,000                                      | 11,688,800   |
| Stanford Hospital, Series A-3, 5.50%, 11/15/40   | 3,065                                       | 3,749,537    |
| California Health Facilities Financing Authority, Refunding, Stanford Hospital and Clinics, Series A-2, 5.25%, 11/15/40        | 3,000                                       | 3,603,540    |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series B, 5.25%, 3/01/45                        | 12,505                                      | 13,045,591   |
| California Statewide Communities Development Authority, Refunding RB:  |   |              |
| Kaiser Permanente, Series C, 5.25%, 8/01/31  | 2,500                                       | 2,661,200    |
| Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41   | 6,235                                       | 7,045,550    |
| Washington Township Health Care District, GO, Series B, 5.50%, 8/01/38   | 1,625                                       | 2,014,886    |
|  |   | 113,467,631  |
| <b>State 10.3%</b>   |   |              |
| State of California, GO, Various Purposes:   |   |              |
| 6.00%, 3/01/33   | 5,000                                       | 6,194,600    |
| 6.00%, 4/01/38   | 27,765                                      | 33,559,000   |
| State of California Public Works Board, LRB:   |   |              |
| Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34  | 3,670                                       | 4,494,832    |
| Various Capital Projects, Series I, 5.50%, 11/01/33  | 2,015                                       | 2,493,039    |
| Various Capital Projects, Series I, 5.00%, 11/01/38  | 5,780                                       | 6,751,040    |
| State of California Public Works Board, RB, California State Prisons, Series C, 5.75%, 10/01/31                                | 1,205                                       | 1,502,840    |
| University of California, RB, Limited Project, Series D (NPFGC), 5.00%, 5/15/41  | 13,000                                      | 13,814,190   |
|  |   | 68,809,541   |
| <b>Transportation 20.0%</b>  |   |              |
| City & County of San Francisco California Airports Commission, ARB, Series E, 6.00%, 5/01/39                                   | 9,650                                       | 11,564,946   |
| City & County of San Francisco California Airports Commission, Refunding ARB, AMT:   |   |              |
| 2nd Series 34E (AGM), 5.75%, 5/01/24   | 5,000                                       | 5,664,300    |
| Series A, 5.00%, 5/01/29   | 6,435                                       | 7,444,973    |
| City of Los Angeles California Department of Airports, ARB, Los Angeles International Airport, Senior Series D, 5.25%, 5/15/29 | 2,590                                       | 3,063,400    |
| City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A:             |   |              |
| Senior, 5.00%, 5/15/40   | 5,250                                       | 6,043,958    |
| 5.25%, 5/15/39   | 5,845                                       | 6,745,714    |
| City of San Jose California, Refunding ARB, Series A-1, AMT:   |   |              |
| 5.25%, 3/01/23   | 3,785                                       | 4,451,463    |
| 6.25%, 3/01/34   | 1,400                                       | 1,670,242    |
| County of Orange California, ARB, Series B, 5.75%, 7/01/34   | 6,345                                       | 7,074,992    |
| County of Sacramento California, ARB:  |   |              |
| Senior Series A (AGC), 5.50%, 7/01/41  | 8,190                                       | 9,338,320    |
|  | <b>Par</b>                                  |              |
|  | (000)                                       | Value        |
| <b>Municipal Bonds</b>   |   |              |
| <b>California (continued)</b>  |   |              |
| <b>Transportation (concluded)</b>  |   |              |
| County of Sacramento California, ARB (concluded):  |   |              |
| Senior Series B, 5.75%, 7/01/39  | \$ 2,650                                    | \$ 3,039,789 |
| Senior Series B, AMT (AGM), 5.75%, 7/01/28   | 13,275                                      | 15,151,156   |
| Senior Series B, AMT (AGM), 5.25%, 7/01/33   | 19,530                                      | 21,212,509   |
| County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40                                     | 4,545                                       | 5,509,904    |
| County of San Mateo California Transportation Authority, Refunding RB, Series A (NPFGC), 5.00%, 6/01/32                        | 10,000                                      | 10,159,300   |
| Los Angeles County Metropolitan Transportation Authority, RB, (AMBAC):   |   |              |
| 5.00%, 7/01/15 (a)   | 7,525                                       | 7,678,961    |

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|  |        |             |
|--|--------|-------------|
| 5.00%, 7/01/35   | 1,475  | 1,505,857   |
| Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34  | 5,530  | 6,431,003   |
|  |        | 133,750,787 |
| <b>Utilities 32.2%</b>   |        |             |
| Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36                     | 2,200  | 2,634,896   |
| Bay Area Toll Authority, RB, 5.00%, 10/01/54   | 3,925  | 4,506,920   |
| City of Los Angeles California Department of Water & Power, Refunding RB, Series A, 5.25%, 7/01/39                             | 16,000 | 18,511,520  |
| City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A, 5.00%, 6/01/28                                   | 2,000  | 2,336,120   |
| City of Napa California Water Revenue, RB, (AMBAC), 5.00%, 5/01/35   | 8,600  | 9,362,304   |
| City of San Francisco California Public Utilities Commission Water, RB, Series B, 5.00%, 11/01/30                              | 10,000 | 11,693,800  |
| County of Los Angeles California Public Works Financing Authority, Refunding LRB, Multiple Capital Projects II, 5.00%, 8/01/42 | 3,095  | 3,552,905   |
| County of Sacramento California Sanitation Districts Financing Authority, RB, 5.00%, 12/01/36                                  | 1,010  | 1,069,257   |
| Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41   | 4,000  | 4,876,520   |
| East Bay California Municipal Utility District Water System Revenue, RB, Series A (NPFGC):                                     |        |             |
| 5.00%, 6/01/15 (a)   | 8,830  | 8,974,812   |
| 5.00%, 6/01/35   | 3,000  | 3,050,370   |
| East Bay California Municipal Utility District Water System Revenue, Refunding RB:   |        |             |
| Series A (NPFGC), 5.00%, 6/01/17 (a)   | 10,000 | 11,002,000  |
| Series A (NPFGC), 5.00%, 6/01/17 (a)   | 6,670  | 7,305,651   |
| Sub-Series A (AGM), 5.00%, 6/01/37   | 11,190 | 12,256,407  |
| Sub-Series A (AMBAC), 5.00%, 6/01/17 (a)   | 5,000  | 5,463,050   |
| Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33  | 2,505  | 2,819,828   |
| El Dorado Irrigation District / El Dorado County Water Agency, Refunding RB, Series A (AGM), 5.25%, 3/01/39                    | 10,000 | 12,078,100  |
| Imperial Irrigation District, Refunding RB, Electric System, 5.13%, 11/01/38   | 9,500  | 10,725,215  |
| Los Angeles County Public Works Financing Authority, Refunding RB, Series A, 5.00%, 12/01/44 (b)                               | 3,150  | 3,709,503   |
| Los Angeles Department of Water & Power, RB:   |        |             |
| Series A, 5.38%, 7/01/38   | 9,375  | 10,826,250  |
| Sub-Series A-2 (AGM), 5.00%, 7/01/35   | 7,500  | 7,945,350   |
| Metropolitan Water District of Southern California, RB, Series A:  |        |             |
| 5.00%, 7/01/35   | 12,870 | 13,139,240  |
| 5.00%, 7/01/37   | 5,000  | 5,485,750   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

|  | (Percentages shown are based on Net Assets) |                    |
|--|---|--------------------|
|  | Par   |                    |
|  | (000)                                       | Value              |
| <b>Municipal Bonds</b>   |   |                    |
| <b>California (concluded)</b>  |   |                    |
| <b>Utilities (concluded)</b>   |   |                    |
| Sacramento County Sanitation Districts Financing Authority, Refunding RB, Series A, 5.00%, 12/01/34              | \$ 6,470                                    | \$ 7,809,161       |
| San Diego Public Facilities Financing Authority Sewer, Refunding RB, Senior Series A: 5.25%, 5/15/34             | 1,060                                       | 1,231,010          |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B, 5.50%, 8/01/39                    | 10,000                                      | 11,581,600         |
| San Juan Water District, Refunding RB, San Juan & Citrus Heights, 5.25%, 2/01/33                                 | 8,000                                       | 9,440,000          |
| Santa Monica Community College District, GO, Series B, 5.00%, 8/01/44  | 7,325                                       | 8,678,880          |
|  | 2,500                                       | 2,972,200          |
|  |   | 215,038,619        |
| <b>Total Municipal Bonds 117.4%</b>  |   | <b>784,761,767</b> |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>  |   |                    |
| <b>California 36.0%</b>  |   |                    |
| <b>County/City/Special District/School District 17.3%</b>  |   |                    |
| California Health Facilities Financing Authority, RB, Sutter Health, Series A, 5.00%, 8/15/52                    | 14,520                                      | 16,506,191         |
| County of Alameda California Joint Powers Authority, Refunding LRB, (AGM), 5.00%, 12/01/34                       | 13,180                                      | 14,564,427         |
| Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37                                 | 16,530                                      | 18,039,850         |
| Foothill-De Anza Community College District, GO, Series C, 5.00%, 8/01/40  | 10,000                                      | 11,602,500         |
| Los Angeles Community College District California, GO:   |   |                    |
| Election of 2001, Series A (NPFGC), 5.00%, 8/01/32   | 6,647                                       | 7,384,313          |
| Election of 2001, Series E-1, 5.00%, 8/01/33   | 11,770                                      | 13,540,208         |
| Election of 2003, Series F-1, 5.00%, 8/01/33   | 10,000                                      | 11,504,000         |
| Los Angeles Community College District California, GO, Refunding, Election of 2008, Series C, 6.00%, 8/01/33 (a) | 9,596                                       | 11,823,706         |
| Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30   | 10,000                                      | 10,706,000         |
|  |   | 115,671,195        |
| <b>Education 7.5%</b>  |   |                    |
| Riverside Community College District, GO, Election of 2004, Series C (NPFGC), 5.00%, 8/01/32                     | 8,910                                       | 9,779,438          |
|  | <b>Par</b>                                  |                    |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (c)</b>  |   |                    |
| <b>California (concluded)</b>  | (000)                                       | Value              |
| <b>Education (concluded)</b>   |   |                    |
| University of California, RB:  |   |                    |
| 5.25%, 5/15/44   | \$ 10,210                                   | \$ 12,383,300      |
| Limited Project, Series D (AGM), 5.00%, 5/15/41  | 8,000                                       | 8,535,280          |
| Series O, 5.75%, 5/15/34   | 11,190                                      | 13,269,214         |
| University of California, Refunding RB, 5.00%, 5/15/39   | 5,000                                       | 5,853,100          |
|  |   | 49,820,332         |
| <b>Health 3.2%</b>   |   |                    |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42          | 19,070                                      | 21,595,249         |
| <b>Utilities 8.0%</b>  |   |                    |
| County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/33                   | 16,740                                      | 18,679,831         |
| East Bay California Utility District, 5.00%, 6/01/44   | 11,000                                      | 13,155,340         |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37                          | 14,510                                      | 15,877,713         |
| Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34                          | 5,008                                       | 5,651,280          |
|  |   | 53,364,164         |

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|  |                |                |
|--|----------------|----------------|
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts</b>                    | <b>36.0%</b>   | 240,450,940    |
| <b>Total Long-Term Investments</b>   |                |                |
| (Cost \$935,833,217)   | 153.4%         | 1,025,212,707  |
| <b>Short-Term Securities</b>   |                |                |
|  |                | <b>Shares</b>  |
| BIF California Municipal Money Fund, 0.00% (d)(e)  |                | 1,420,771      |
| <b>Total Short-Term Securities</b>   |                | 1,420,771      |
| (Cost \$1,420,771)   | 0.2%           | 1,420,771      |
| <b>Total Investments (Cost \$937,253,988)</b>  | <b>153.6%</b>  | 1,026,633,478  |
| <b>Other Assets Less Liabilities</b>   | <b>0.8%</b>    | 5,120,873      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b> | <b>(16.4%)</b> | (109,310,471)  |
| <b>VMTP Shares, at Liquidation Value</b>   | <b>(38.0%)</b> | (254,000,000)  |
| <b>Net Assets Applicable to Common Shares</b>  | <b>100.0%</b>  | \$ 668,443,880 |

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

| Counterparty                   | Value        | Unrealized Appreciation |
|--------------------------------|--------------|-------------------------|
| Citigroup Global Markets, Inc. | \$ 3,709,503 | \$ 49,908               |

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

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

See Notes to Financial Statements.



## Schedule of Investments (concluded)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(e) During the six months ended January 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<br>at July 31,<br>2014 | Net<br>Activity | Shares Held<br>at January 31,<br>2015 | Income | Realized<br>Gains |
|-------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|-------------------|
| BIF California Municipal Money Fund | 2,207,320                          | (786,549)       | 1,420,771                             |        | \$ 136            |

As of January 31, 2015, financial futures contracts outstanding were as follows:

| Contracts<br>Short | Issue                      | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|--------------------|----------------------------|------------------------|------------|-------------------|----------------------------|
| (500)              | 10-Year U.S. Treasury Note | Chicago Board of Trade | March 2015 | \$ 65,437,500     | \$ (1,630,915)             |

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.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)  
Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of January 31, 2015, 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:                 |              |                  |         |                  |
| Municipal Bonds <sup>1</sup> |              | \$ 1,025,212,707 |         | \$ 1,025,212,707 |
| Short-Term Securities        | \$ 1,420,771 |                  |         | 1,420,771        |

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|              |              |                  |                  |
|--------------|--------------|------------------|------------------|
| <b>Total</b> | \$ 1,420,771 | \$ 1,025,212,707 | \$ 1,026,633,478 |
|--------------|--------------|------------------|------------------|

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

|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|---|----------------|----------------|----------------|----------------|
| <b>Derivative Financial Instruments<sup>2</sup></b> |                |                |                |                |
| <b>Liabilities:</b>                                 |                |                |                |                |
| Interest rate contracts                             | \$ (1,630,915) |                |                | \$ (1,630,915) |

<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 January 31, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|  | <b>Level 1</b> | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
|--|----------------|------------------|----------------|------------------|
| <b>Assets:</b>                               |                |                  |                |                  |
| Cash pledged for financial futures contracts | \$ 678,000     |                  |                | \$ 678,000       |
| <b>Liabilities:</b>                          |                |                  |                |                  |
| TOB trust certificates                       |                | \$ (109,286,444) |                | (109,286,444)    |
| VMTP Shares                                  |                | (254,000,000)    |                | (254,000,000)    |
| <b>Total</b>                                 | \$ 678,000     | \$ (363,286,444) |                | \$ (362,608,444) |

During the six months ended January 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments January 31, 2015 (Unaudited)

## BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>New Jersey 134.7%</b>  |   |              |
| <b>Corporate 1.5%</b>   |   |              |
| New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, AMT:   |   |              |
| Series A, 5.70%, 10/01/39   | \$ 2,500                                    | \$ 2,916,475 |
| Series B, 5.60%, 11/01/34   | 2,150                                       | 2,469,942    |
|   |   | 5,386,417    |
| <b>County/City/Special District/School District 20.3%</b>   |   |              |
| Borough of Hopatcong New Jersey, GO, Refunding, Sewer (AMBAC), 4.50%, 8/01/33   | 2,690                                       | 2,770,888    |
| Casino Reinvestment Development Authority, Refunding RB, 5.25%, 11/01/39  | 7,880                                       | 8,783,048    |
| City of Perth Amboy New Jersey, GO, Refunding, CAB (AGM):   |   |              |
| 5.00%, 7/01/32  | 4,605                                       | 4,881,346    |
| 5.00%, 7/01/33  | 1,395                                       | 1,477,361    |
| 5.00%, 7/01/37  | 1,470                                       | 1,546,881    |
| County of Essex New Jersey Improvement Authority, Refunding RB, Project Consolidation (NPFGC):                          |   |              |
| 5.50%, 10/01/28   | 4,840                                       | 6,522,287    |
| 5.50%, 10/01/27   | 250   | 335,198      |
| County of Hudson New Jersey Improvement Authority, RB:  |   |              |
| County Secured, County Services Building Project (AGM), 5.00%, 4/01/27  | 750   | 806,002      |
| Harrison Parking Facility Project, Series C (AGC), 5.25%, 1/01/39   | 2,000                                       | 2,269,700    |
| Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44   | 3,600                                       | 4,114,260    |
| County of Middlesex New Jersey Improvement Authority, RB, Senior Citizens Housing Project, AMT (AMBAC), 5.50%, 9/01/30  | 500   | 501,935      |
| County of Monmouth New Jersey Improvement Authority, RB, Governmental Loan (AMBAC):                                     |   |              |
| 5.35%, 12/01/17   | 5   | 5,021        |
| 5.38%, 12/01/18   | 5   | 5,021        |
| County of Union New Jersey, GO, Refunding:  |   |              |
| 4.00%, 3/01/29  | 2,590                                       | 2,829,445    |
| 4.00%, 3/01/30  | 2,590                                       | 2,820,251    |
| 4.00%, 3/01/31  | 2,925                                       | 3,176,404    |
| County of Union New Jersey Utilities Authority, Refunding RB, Series A:   |   |              |
| Resources Recovery Facility, Covanta Union, Inc., AMT, 5.25%, 12/01/31  | 450   | 507,695      |
| Solid Waste System, County Deficiency Agreement, 5.00%, 6/15/41   | 5,415                                       | 6,149,924    |
| Edgewater Borough Board of Education, GO, Refunding, (AGM):   |   |              |
| 4.25%, 3/01/34  | 1,235                                       | 1,360,550    |
| 4.25%, 3/01/35  | 1,300                                       | 1,431,508    |
| 4.30%, 3/01/36  | 1,370                                       | 1,512,699    |
| Morristown Parking Authority, RB, (NPFGC):  |   |              |
| 5.00%, 8/01/30  | 1,830                                       | 1,996,329    |
| 5.00%, 8/01/33  | 3,000                                       | 3,264,720    |
| New Jersey Sports & Exposition Authority, Refunding RB, (NPFGC) (a):  |   |              |
| 5.50%, 3/01/21  | 5,890                                       | 7,342,356    |
| 5.50%, 3/01/22  | 3,150                                       | 4,001,413    |
| Township of Irvington, GO, Refunding Series A (AGM), 5.00%, 7/15/33   | 1,200                                       | 1,387,788    |
|   |   | 71,800,030   |
| <b>Education 29.1%</b>  |   |              |
| New Jersey EDA, LRB, Rutgers - The State University of New Jersey, College Avenue Redevelopment Project, 5.00%, 6/15/33 | 2,185                                       | 2,589,968    |
|   | <b>Par<br/>(000)</b>                        | <b>Value</b> |
| <b>Municipal Bonds</b>  |   |              |
| <b>New Jersey (continued)</b>   |   |              |
| <b>Education (concluded)</b>  |   |              |
| New Jersey Educational Facilities Authority, RB:  |   |              |
| Higher Educational Capital Improvement Fund, Series A, 5.00%, 9/01/26   | \$ 2,300                                    | \$ 2,662,687 |
| Higher Educational Capital Improvement Fund, Series A, 5.00%, 9/01/33   | 4,310                                       | 4,888,876    |
| Montclair State University, Series A (AMBAC), 5.00%, 7/01/16 (b)  | 1,200                                       | 1,279,464    |
| Montclair State University, Series A (AMBAC), 5.00%, 7/01/22  | 2,880                                       | 3,067,286    |
| Richard Stockton College, Series F (NPFGC), 5.00%, 7/01/31  | 2,625                                       | 2,770,897    |
| New Jersey Educational Facilities Authority, Refunding RB:  |   |              |
| College of New Jersey, Series D (AGM), 5.00%, 7/01/35   | 9,740                                       | 10,853,185   |

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|  |        |             |
|--|--------|-------------|
| Montclair State University, Series A, 5.00%, 7/01/39   | 11,055 | 13,116,647  |
| Montclair State University, Series J (NPFGC), 4.25%, 7/01/30   | 3,775  | 3,860,655   |
| Montclair State University, Series A, 5.00%, 7/01/44   | 2,520  | 2,987,636   |
| New Jersey Institute of Technology, Series H, 5.00%, 7/01/31   | 3,000  | 3,432,690   |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/31   | 1,250  | 1,288,538   |
| Seton Hall University, Series D, 5.00%, 7/01/38  | 360    | 412,492     |
| Seton Hall University, Series D, 5.00%, 7/01/43  | 430    | 492,526     |
| Stevens Institute of Technology, Series A, 5.00%, 7/01/27  | 2,800  | 2,999,024   |
| Stevens Institute of Technology, Series A, 5.00%, 7/01/34  | 900    | 966,330     |
| William Paterson University, Series C (AGC), 5.00%, 7/01/28  | 250    | 279,910     |
| William Paterson University, Series C (AGC), 4.75%, 7/01/34  | 4,000  | 4,408,520   |
| New Jersey Higher Education Student Assistance Authority, RB, Senior Student Loan, Series 1A, AMT:       |        |             |
| 4.00%, 12/01/28  | 790    | 825,337     |
| 4.50%, 12/01/28  | 3,380  | 3,671,288   |
| 4.00%, 12/01/29  | 4,140  | 4,295,126   |
| 4.00%, 12/01/29  | 710    | 742,504     |
| 4.50%, 12/01/29  | 4,150  | 4,515,158   |
| 4.63%, 12/01/30  | 4,080  | 4,446,017   |
| 4.00%, 12/01/31  | 1,335  | 1,380,096   |
| 4.25%, 12/01/32  | 1,460  | 1,529,233   |
| 4.13%, 12/01/35  | 710    | 733,899     |
| 4.50%, 12/01/36  | 1,280  | 1,369,472   |
| New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT, 5.38%, 12/01/24   | 1,500  | 1,717,560   |
| New Jersey Institute of Technology, RB, Series A, 5.00%, 7/01/42   | 5,045  | 5,802,053   |
| Rutgers - The State University of New Jersey, Refunding RB, Series L:                                    |        |             |
| 5.00%, 5/01/30   | 1,100  | 1,316,568   |
| 5.00%, 5/01/43   | 7,150  | 8,301,650   |
|  |        | 103,003,292 |
| <b>Health 19.0%</b>  |        |             |
| County of Camden Improvement Authority, Refunding RB, The Cooper Health System, Series A, 5.00%, 2/15/33 | 1,420  | 1,620,476   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

|   | (Percentages shown are based on Net Assets) |               |
|---|---|---------------|
|   | Par<br>(000)                                | Value         |
| <b>Municipal Bonds</b>  |   |               |
| <b>New Jersey (continued)</b>   |   |               |
| <b>Health (concluded)</b>   |   |               |
| New Jersey Health Care Facilities Financing Authority, RB:              |   |               |
| Greystone Park Psychiatric Hospital (AMBAC), 5.00%, 9/15/15 (b)         | \$ 10,775                                   | \$ 11,104,176 |
| Meridian Health System Obligated Group, Series I (AGC), 5.00%, 7/01/38  | 720   | 775,440       |
| Meridian Health System Obligated Group, Series II (AGC), 5.00%, 7/01/38 | 6,050                                       | 6,515,850     |
| Meridian Health System Obligated Group, Series V (AGC), 5.00%, 7/01/38  | 3,800                                       | 4,092,600     |
| Robert Wood Johnson University Hospital, Series A, 5.50%, 7/01/43       | 4,885                                       | 5,855,942     |
| Virtua Health, Series A (AGC), 5.50%, 7/01/38                           | 3,035                                       | 3,454,528     |
| New Jersey Health Care Facilities Financing Authority, Refunding RB:    |   |               |
| 5.00%, 7/01/28  | 2,130                                       | 2,545,819     |
| 5.00%, 7/01/29  | 510   | 608,211       |
| 5.50%, 7/01/31  | 2,880                                       | 3,444,134     |
| AHS Hospital Corp., 6.00%, 7/01/41                                      | 3,080                                       | 3,721,687     |
| Catholic Health East Issue, 5.00%, 11/15/33                             | 1,375                                       | 1,590,531     |
| Hackensack University Medical (AGC), 5.13%, 1/01/27                     | 1,500                                       | 1,622,055     |
| Hackensack University Medical (AGM), 4.63%, 1/01/30                     | 5,480                                       | 5,936,539     |
| Meridian Health System Obligated Group, 5.00%, 7/01/25                  | 700   | 818,097       |
| Meridian Health System Obligated Group, 5.00%, 7/01/26                  | 1,590                                       | 1,848,884     |
| St. Barnabas Health Care System, Series A, 5.00%, 7/01/24               | 1,820                                       | 2,102,300     |
| St. Barnabas Health Care System, Series A, 5.63%, 7/01/32               | 4,010                                       | 4,699,560     |
| St. Barnabas Health Care System, Series A, 5.63%, 7/01/37               | 3,560                                       | 4,128,924     |
| St. Luke s Warren Hospital Obligated Group, 4.00%, 8/15/37              | 440   | 452,839       |
|   |   | 66,938,592    |
| <b>Housing 6.9%</b>   |   |               |
| New Jersey Housing & Mortgage Finance Agency, RB:                       |   |               |
| Capital Fund Program, Series A (AGM), 5.00%, 5/01/27                    | 4,800                                       | 5,206,032     |
| M/F Housing, Series A, 4.55%, 11/01/43                                  | 3,575                                       | 3,772,411     |
| M/F Housing, Series A, AMT (NPFGC), 4.85%, 11/01/39                     | 935   | 944,789       |
| S/F Housing, Series AA, 6.50%, 10/01/38                                 | 775   | 805,814       |
| S/F Housing, Series B, 4.50%, 10/01/30                                  | 6,735                                       | 7,332,799     |
| New Jersey Housing & Mortgage Finance Agency, Refunding RB, AMT:        |   |               |
| M/F Housing, Series 2, 4.60%, 11/01/38                                  | 2,400                                       | 2,562,648     |
| M/F Housing, Series 2, 4.75%, 11/01/46                                  | 3,015                                       | 3,198,222     |
| S/F Housing, Series T, 4.70%, 10/01/37                                  | 580   | 593,294       |
|   |   | 24,416,009    |
| <b>State 29.4%</b>  |   |               |
| Garden State Preservation Trust, RB:                                    |   |               |
| CAB, Series B (AGM), 0.00%, 11/01/23 (c)                                | 9,000                                       | 7,454,970     |
| CAB, Series B (AGM), 0.00%, 11/01/25 (c)                                | 10,000                                      | 7,700,400     |
| Election of 2005, Series A (AGM), 5.80%, 11/01/15 (b)                   | 1,960                                       | 2,043,437     |
| Election of 2005, Series A (AGM), 5.80%, 11/01/15 (b)                   | 2,730                                       | 2,846,216     |
| Garden State Preservation Trust, Refunding RB, Series C (AGM):          |   |               |
| 5.25%, 11/01/20   | 5,000                                       | 6,081,250     |
| 5.25%, 11/01/21   | 7,705                                       | 9,541,564     |
|   |   | 66,938,592    |
| <b>Municipal Bonds</b>  |   |               |
| <b>New Jersey (continued)</b>   |   |               |
| <b>State (concluded)</b>  |   |               |
| New Jersey EDA, RB:   |   |               |
| Liberty State Park Project, Series C, 5.00%, 3/01/22                    | \$ 2,670                                    | \$ 2,680,867  |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/24               | 1,785                                       | 2,214,132     |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25               | 4,000                                       | 4,999,360     |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/26               | 7,500                                       | 9,431,625     |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33               | 11,105                                      | 11,316,106    |
| School Facilities Construction (AGC), 6.00%, 12/15/18 (b)               | 2,775                                       | 3,313,350     |
| School Facilities Construction (AGC), 6.00%, 12/15/34                   | 25  | 29,317        |
| School Facilities Construction, Series L (AGM), 5.00%, 3/01/15 (b)      | 7,000                                       | 7,029,400     |
| School Facilities Construction, Series U, 5.00%, 9/01/37                | 1,770                                       | 1,926,061     |
| School Facilities Construction, Series U (AMBAC), 5.00%, 9/01/37        | 705   | 767,160       |

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|   |       |             |
|---|-------|-------------|
| School Facilities Construction, Series UU, 5.00%, 6/15/30   | 4,250 | 4,802,755   |
| School Facilities Construction, Series UU, 5.00%, 6/15/34   | 985   | 1,102,186   |
| School Facilities Construction, Series UU, 5.00%, 6/15/40   | 2,440 | 2,719,941   |
| School Facilities Construction, Series Y, 5.00%, 9/01/33  | 3,000 | 3,348,120   |
| New Jersey EDA, Refunding RB:   |       |             |
| Cigarette Tax, 5.00%, 6/15/26   | 895   | 1,018,089   |
| Cigarette Tax, 5.00%, 6/15/28   | 1,520 | 1,713,602   |
| Cigarette Tax, 5.00%, 6/15/29   | 2,000 | 2,250,140   |
| School Facilities Construction, Series N-1 (NPFGC), 5.50%, 9/01/27  | 1,000 | 1,241,020   |
| School Facilities Construction, Series NN, 5.00%, 3/01/29   | 4,500 | 5,052,510   |
| State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 6/15/27                              | 1,080 | 1,218,856   |
|   |       | 103,842,434 |
| <b>Transportation 24.2%</b>   |       |             |
| Delaware River Port Authority, RB:  |       |             |
| 5.00%, 1/01/29  | 1,250 | 1,494,025   |
| 5.00%, 1/01/37  | 4,465 | 5,231,640   |
| Series D (AGM), 5.00%, 1/01/40  | 3,700 | 4,204,532   |
| New Jersey EDA, RB, Private Activity Bond, The Goethals Bridge Replacement Project, AMT:                  |       |             |
| 5.13%, 1/01/34  | 1,630 | 1,827,409   |
| 5.38%, 1/01/43  | 5,495 | 6,175,336   |
| New Jersey State Turnpike Authority, RB, Growth & Income Securities, Series B (AMBAC), 5.15%, 1/01/35 (d) | 7,615 | 8,155,360   |
| New Jersey State Turnpike Authority, Refunding RB:  |       |             |
| Series A (AGM), 5.25%, 1/01/26  | 2,500 | 3,175,300   |
| Series A (AGM), 5.25%, 1/01/29  | 2,000 | 2,574,960   |
| Series A (AGM), 5.25%, 1/01/30  | 4,000 | 5,188,360   |
| Series A (BHAC), 5.25%, 1/01/29   | 500   | 650,495     |
| Series C (NPFGC), 6.50%, 1/01/16 (a)  | 255   | 269,724     |
| Series C (NPFGC), 6.50%, 1/01/16 (a)  | 210   | 222,125     |
| Series C (NPFGC), 6.50%, 1/01/16 (a)  | 305   | 322,611     |
| Series C (NPFGC), 6.50%, 1/01/16  | 605   | 639,213     |
| New Jersey Transportation Trust Fund Authority, RB:   |       |             |
| CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/36 (c)   | 7,210 | 2,764,819   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

|   | (Percentages shown are based on Net Assets) |                    |
|---|---|--------------------|
|   | Par<br>(000)                                | Value              |
| <b>Municipal Bonds</b>  |   |                    |
| <b>New Jersey (concluded)</b>   |   |                    |
| <b>Transportation (concluded)</b>   |   |                    |
| New Jersey Transportation Trust Fund Authority, RB (concluded):   |   |                    |
| CAB, Transportation System, Series A, 0.00%, 12/15/35 (c)   | \$ 6,000                                    | \$ 2,336,160       |
| CAB, Transportation System, Series C (AGM), 0.00%, 12/15/32 (c)   | 4,050                                       | 1,916,460          |
| CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/35 (c)   | 1,400                                       | 560,910            |
| Transportation Program, Series AA, 5.00%, 6/15/33   | 2,150                                       | 2,378,567          |
| Transportation Program, Series AA, 5.25%, 6/15/33   | 4,050                                       | 4,661,995          |
| Transportation Program, Series AA, 5.00%, 6/15/38   | 1,660                                       | 1,843,463          |
| Transportation System, Series A, 6.00%, 6/15/35   | 4,365                                       | 5,363,450          |
| Transportation System, Series A (NPFGC), 5.75%, 6/15/24   | 1,205                                       | 1,521,566          |
| Transportation System, Series A (AGC), 5.63%, 12/15/28  | 2,000                                       | 2,340,280          |
| Transportation System, Series B, 5.50%, 6/15/31   | 765   | 900,428            |
| Transportation System, Series B, 5.25%, 6/15/36   | 1,775                                       | 1,986,527          |
| Port Authority of New York & New Jersey, ARB, Special Project, JFK International Air Terminal LLC Project:  |   |                    |
| Series 6, AMT (NPFGC), 5.75%, 12/01/25  | 3,000                                       | 3,009,480          |
| Series 6, AMT (NPFGC), 6.25%, 12/01/15  | 1,500                                       | 1,546,365          |
| Series 8, 6.00%, 12/01/42   | 2,500                                       | 2,972,325          |
| Port Authority of New York & New Jersey, Refunding ARB, AMT:  |   |                    |
| 178th Series, 5.00%, 12/01/33   | 2,850                                       | 3,303,834          |
| Consolidated, 152nd Series, 5.75%, 11/01/30   | 5,175                                       | 5,863,585          |
|   |   | 85,401,304         |
| <b>Utilities 4.3%</b>   |   |                    |
| County of Essex New Jersey Utilities Authority, Refunding RB, (AGC), 4.13%, 4/01/22   | 1,330                                       | 1,460,127          |
| North Hudson Sewerage Authority, Refunding RB, Series A (NPFGC), 5.13%, 8/01/20 (a)   | 4,335                                       | 5,275,608          |
| Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC) (c):  |   |                    |
| 0.00%, 9/01/28  | 6,600                                       | 4,219,512          |
| 0.00%, 9/01/29  | 6,900                                       | 4,237,911          |
|   |   | 15,193,158         |
| <b>Total Municipal Bonds in New Jersey</b>  |   | <b>475,981,236</b> |
| <b>Guam 1.0%</b>  |   |                    |
| <b>State 1.0%</b>   |   |                    |
| Territory of Guam, RB, Business Privilege Tax Bonds:  |   |                    |
| Series A, 5.25%, 1/01/36  | 305   | 347,996            |
| Series A, 5.13%, 1/01/42  | 2,500                                       | 2,819,675          |
| Series B-1, 5.00%, 1/01/37  | 395   | 442,190            |
| <b>Total Municipal Bonds in Guam</b>  |   | <b>3,609,861</b>   |
| <b>Puerto Rico 0.5%</b>   |   |                    |
| <b>Health 0.5%</b>  |   |                    |
| Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority, RB, Hospital De La Concepcion, Series A, 6.50%, 11/15/20 |   |                    |
|   | 1,750                                       | 1,790,933          |
|   | <b>Par<br/>(000)</b>                        | <b>Value</b>       |
| <b>Municipal Bonds</b>  |   |                    |
| <b>U.S. Virgin Islands 1.1%</b>   |   |                    |
| <b>State 1.1%</b>   |   |                    |
| Virgin Islands Public Finance Authority, Refunding RB, Series C, 5.00%, 10/01/39  | \$ 3,360                                    | \$ 3,758,563       |
| <b>Total Municipal Bonds 137.3%</b>   |   | <b>485,140,593</b> |
| <b>Municipal Bonds Transferred to</b>   |   |                    |
| <b>Tender Option Bond Trusts (e)</b>  |   |                    |
| <b>New Jersey 18.8%</b>   |   |                    |
| <b>County/City/Special District/School District 4.0%</b>  |   |                    |
| County of Union New Jersey Utilities Authority, Refunding LRB, Resource Recovery Facility, Covanta Union, Inc., Series A, AMT, 5.25%, 12/01/31                      | 12,370                                      | 13,955,958         |

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|   |               |                |
|---|---------------|----------------|
| <b>Education 0.3%</b>   |               |                |
| Rutgers - The State University of New Jersey, RB, Series F, 5.00%, 5/01/39                              | 990           | 1,128,171      |
| <b>State 4.9%</b>   |               |                |
| Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28                  | 9,160         | 11,919,084     |
| New Jersey EDA, Refunding RB, 5.00%, 3/01/29 (f)  | 4,780         | 5,367,023      |
|   |               | 17,286,107     |
| <b>Transportation 9.6%</b>  |               |                |
| New Jersey State Turnpike Authority, RB, Series A, 5.00%, 1/01/38 (f)                                   | 5,200         | 5,950,256      |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (f) | 1,900         | 2,126,861      |
| Port Authority of New York & New Jersey, ARB, Consolidated, 163rd Series, AMT, 5.00%, 7/15/39           | 11,456        | 13,205,450     |
| Port Authority of New York & New Jersey, RB, Consolidated, 169th Series, AMT, 5.00%, 10/15/41           | 5,500         | 6,121,280      |
| Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.25%, 11/01/35 | 5,998         | 6,657,450      |
|   |               | 34,061,297     |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 18.8%</b>                             |               | 66,431,533     |
| <b>Total Long-Term Investments</b>  |               |                |
| <b>(Cost \$495,844,589) 156.1%</b>  |               | 551,572,126    |
| <b>Short-Term Securities</b>  | <b>Shares</b> |                |
| BIF New Jersey Municipal Money Fund, 0.00% (g)(h)   | 1,694,553     | 1,694,553      |
| <b>Total Short-Term Securities</b>  |               |                |
| <b>(Cost \$1,694,553) 0.5%</b>  |               | 1,694,553      |
| <b>Total Investments (Cost \$497,539,142) 156.6%</b>  |               | 553,266,679    |
| <b>Other Assets Less Liabilities 2.1%</b>   |               | 7,459,986      |
| <b>Liability for TOB Trust Certificates, Including Interest</b>   |               |                |
| <b>Expense and Fees Payable (9.8%)</b>  |               | (34,706,225)   |
| <b>VRDP Shares, at Liquidation Value (48.9%)</b>  |               | (172,700,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |               | \$ 353,320,440 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock MuniHoldings New Jersey Quality Fund, Inc.  
(MUJ)

## Notes to Schedule of investments

- (a) Security is collateralized by municipal or U.S. Treasury obligations.
- (b) 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.
- (c) Zero-coupon bond.
- (d) 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.
- (e) Represent bonds transferred to a TOB. In exchange for which the Fund received cash and residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (f) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreement, which expires on June 15, 2019 to September 1, 2020 is \$8,818,272.
- (g) During the six months ended January 31, 2015, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the 1904 Act, were as follows:

| Affiliate                           | Shares Held<br>at July 31,<br>2014 | Net<br>Activity | Shares Held<br>at January 31,<br>2015 | Income | Realized<br>Gains |
|-------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|-------------------|
| BIF New Jersey Municipal Money Fund | 4,710,150                          | (3,015,597)     | 1,694,553                             |        | \$ 999            |

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

As of January 31, 2015, Financial futures contracts outstanding were as follows:

| Contracts<br>Short | Issue                      | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|--------------------|----------------------------|------------------------|------------|-------------------|----------------------------|
| (330)              | 10-Year U.S. Treasury Note | Chicago Board of Trade | March 2015 | \$ 43,188,750     | \$ (1,137,010)             |
| (70)               | 5-Year U.S. Treasury Note  | Chicago Board of Trade | March 2015 | 8,494,063         | (146,114)                  |
| <b>Total</b>       |                            |                        |            |                   | \$ (1,283,124)             |

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.

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**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

**Level 1** unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

**Level 2** other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of January 31, 2015, the following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

|                              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|------------------------------|----------------|----------------|----------------|----------------|
| <b>Assets:</b>               |                |                |                |                |
| Investments:                 |                |                |                |                |
| Municipal Bonds <sup>1</sup> |                | \$ 551,572,126 |                | \$ 551,572,126 |
| Short-Term Securities        | \$ 1,694,553   |                |                | 1,694,553      |
| <b>Total</b>                 | \$ 1,694,553   | \$ 551,572,126 |                | \$ 553,266,679 |

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

|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|---|----------------|----------------|----------------|----------------|
| <b>Derivative Financial Instruments<sup>2</sup></b> |                |                |                |                |
| <b>Liabilities:</b>                                 |                |                |                |                |
| Interest rate contracts                             | \$ (1,283,124) |                |                | \$ (1,283,124) |

<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 MuniHoldings New Jersey Quality Fund, Inc.  
(MUJ)

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of January 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 | \$ 511,000 |                  |         | \$ 511,000       |
| <b>Liabilities:</b>                          |            |                  |         |                  |
| TOB trust certificates                       |            | \$ (34,699,311)  |         | (34,699,311)     |
| VRDP Shares                                  |            | (172,700,000)    |         | (172,700,000)    |
| <b>Total</b>                                 | \$ 511,000 | \$ (207,399,311) |         | \$ (206,888,311) |

During the six months ended January 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments January 31, 2015 (Unaudited)

## BlackRock MuniYield Investment Quality Fund (MFT)

|  | (Percentages shown are based on Net Assets) |              |
|--|---|--------------|
|  | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>   |   |              |
| <b>Alabama 5.4%</b>  |   |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):                                     |   |              |
| 6.13%, 6/01/34   | \$ 1,500                                    | \$ 1,769,400 |
| 6.00%, 6/01/39   | 2,985                                       | 3,511,076    |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35                           | 350   | 395,476      |
| Mobile Board of Water & Sewer Commissioners, RB, (NPFGC), 5.00%, 1/01/16 (a)   | 1,500                                       | 1,566,240    |
|  |   | 7,242,192    |
| <b>California 20.3%</b>  |   |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38                              | 1,960                                       | 2,239,339    |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42  | 1,150                                       | 1,392,926    |
| City & County of San Francisco California Airports Commission, Refunding ARB, 2nd Series A, AMT: 5.50%, 5/01/28                            | 720   | 879,948      |
| 5.25%, 5/01/33   | 560   | 658,644      |
| City of San Jose California, Refunding ARB, Series A-1, AMT: 5.50%, 3/01/30  | 1,600                                       | 1,834,368    |
| 6.25%, 3/01/34   | 1,250                                       | 1,491,288    |
| County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41  | 1,400                                       | 1,596,294    |
| Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33                             | 970   | 1,197,455    |
| Los Angeles Community College District California, GO, Election of 2001, Series A (NPFGC), 5.00%, 8/01/17 (a)                              | 2,780                                       | 3,088,163    |
| Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34  | 1,000                                       | 1,198,880    |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC), 5.38%, 8/01/34  | 1,020                                       | 1,193,665    |
| State of California, GO, Refunding, Various Purposes, 5.00%, 11/01/43  | 1,000                                       | 1,174,780    |
| State of California, GO, Various Purposes (AGC), 5.50%, 11/01/39   | 3,450                                       | 4,072,000    |
| State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/31   | 1,000                                       | 1,239,810    |
| State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33                           | 490   | 588,500      |
| Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40                                     | 370   | 456,673      |
| University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38  | 2,235                                       | 2,681,508    |
|  |   | 26,984,241   |
| <b>Colorado 2.0%</b>   |   |              |
| City & County of Denver Colorado Airport System, ARB, Series A, AMT: 5.50%, 11/15/28   | 500   | 604,325      |
| 5.50%, 11/15/30  | 225   | 270,295      |
| 5.50%, 11/15/31  | 270   | 323,657      |
| Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26                                     | 1,300                                       | 1,494,753    |
|  |   | 2,693,030    |
| <b>Florida 11.5%</b>   |   |              |
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33  | 270   | 323,814      |
| County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29              | 1,170                                       | 1,397,694    |
| <b>Municipal Bonds</b>   |   |              |
| <b>Florida (concluded)</b>   |   |              |
| County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32   | \$ 1,000                                    | \$ 1,132,170 |
| County of Manatee Florida Housing Finance Authority, RB, S/F Housing, Series A, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 5.90%, 9/01/40 | 105   | 107,042      |
| County of Miami-Dade Florida, RB, Seaport: Department, Series B, AMT, 6.00%, 10/01/26  | 590   | 747,270      |
| Department, Series B, AMT, 6.00%, 10/01/27   | 775   | 971,129      |
| Department, Series B, AMT, 6.25%, 10/01/38   | 310   | 389,087      |
| Department, Series B, AMT, 6.00%, 10/01/42   | 410   | 501,159      |
| Series A, 6.00%, 10/01/38  | 1,840                                       | 2,283,955    |

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|  |       |            |
|--|-------|------------|
| Series A, 5.50%, 10/01/42  | 2,125 | 2,515,341  |
| County of Miami-Dade Florida, Refunding RB:  |       |            |
| Seaport, Series D, AMT, 6.00%, 10/01/26  | 735   | 930,922    |
| Water & Sewer System, Series B, 5.25%, 10/01/29  | 500   | 607,425    |
| County of Miami-Dade Florida Aviation, Refunding ARB, Series A, AMT, 5.00%, 10/01/31   | 2,165 | 2,473,946  |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32   | 710   | 848,408    |
|  |       | 15,229,362 |
| <b>Hawaii 1.0%</b>   |       |            |
| State of Hawaii, Department of Transportation, COP, AMT:   |       |            |
| 5.25%, 8/01/25   | 250   | 302,015    |
| 5.25%, 8/01/26   | 810   | 972,065    |
|  |       | 1,274,080  |
| <b>Illinois 22.6%</b>  |       |            |
| City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien:  |       |            |
| Series A, 5.75%, 1/01/39   | 770   | 911,072    |
| Series C, 6.50%, 1/01/41   | 3,680 | 4,503,326  |
| City of Chicago Illinois, GO, Refunding, Series A:   |       |            |
| Project, 5.25%, 1/01/33  | 570   | 619,869    |
| 5.25%, 1/01/29   | 1,000 | 1,097,690  |
| City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38  | 525   | 591,313    |
| City of Chicago Illinois Midway International Airport, Refunding ARB, 2nd Lien, Series A, AMT, 5.00%, 1/01/41                | 385   | 430,472    |
| City of Chicago Illinois Transit Authority, RB:  |       |            |
| Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 6/01/26   | 1,400 | 1,637,398  |
| Sales Tax Receipts, 5.25%, 12/01/36  | 1,000 | 1,160,200  |
| Sales Tax Receipts, 5.00%, 12/01/44  | 1,830 | 2,143,076  |
| City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 6/01/28 | 3,000 | 3,338,280  |
| City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42   | 1,375 | 1,538,364  |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago:                                     |       |            |
| 5.50%, 12/01/38  | 1,500 | 1,783,980  |
| 5.25%, 12/01/43  | 2,700 | 3,136,509  |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41   | 1,555 | 1,837,295  |
| Railsplitter Tobacco Settlement Authority, RB:   |       |            |
| 5.50%, 6/01/23   | 940   | 1,124,607  |
| 6.00%, 6/01/28   | 270   | 323,355    |
| State of Illinois, GO:   |       |            |
| 5.25%, 2/01/31   | 585   | 657,230    |
| 5.25%, 2/01/32   | 1,000 | 1,118,580  |
| 5.50%, 7/01/33   | 1,500 | 1,717,095  |
| 5.50%, 7/01/38   | 280   | 318,553    |
|  |       | 29,988,264 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniYield Investment Quality Fund (MFT)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>Indiana 4.0%</b>   |   |              |
| Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges East End Crossing Project, Series A, AMT, 5.00%, 7/01/40       | \$ 375                                      | \$ 411,971   |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38                       | 4,310                                       | 4,907,323    |
|   |   | 5,319,294    |
| <b>Louisiana 3.0%</b>   |   |              |
| City of New Orleans Louisiana Aviation Board, Refunding GARB, Restructuring (AGC):  |   |              |
| Series A-1, 6.00%, 1/01/23  | 375   | 440,089      |
| Series A-2, 6.00%, 1/01/23  | 160   | 186,971      |
| Lake Charles Harbor & Terminal District, RB, Series B, AMT, 5.50%, 1/01/29  | 1,000                                       | 1,178,070    |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, 5.00%, 10/01/37                              | 1,105                                       | 1,308,618    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29  | 805   | 890,185      |
|   |   | 4,003,933    |
| <b>Maryland 0.2%</b>  |   |              |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, 5.00%, 7/01/45 (b)   | 195   | 225,923      |
| <b>Massachusetts 2.3%</b>   |   |              |
| Massachusetts Educational Financing Authority, RB, Education Loan, Issue I, AMT, 5.00%, 1/01/26   | 880   | 1,012,889    |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42   | 1,910                                       | 2,025,784    |
|   |   | 3,038,673    |
| <b>Michigan 2.7%</b>  |   |              |
| City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM), 6.25%, 7/01/36  | 1,800                                       | 2,017,422    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)                    | 1,265                                       | 1,597,480    |
|   |   | 3,614,902    |
| <b>Minnesota 2.7%</b>   |   |              |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38                                  | 3,000                                       | 3,552,480    |
| <b>Mississippi 1.4%</b>   |   |              |
| Mississippi Development Bank, RB, Special Obligation, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40                       | 1,190                                       | 1,599,015    |
| Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38 | 260   | 308,984      |
|   |   | 1,907,999    |
| <b>Nevada 4.2%</b>  |   |              |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39                                   | 2,375                                       | 2,719,304    |
| County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38   | 1,000                                       | 1,109,810    |
| County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 7/01/34   | 1,500                                       | 1,734,810    |
|   |   | 5,563,924    |
| <b>New Jersey 6.3%</b>  |   |              |
| New Jersey EDA, RB:   |   |              |
| Private Activity Bond, The Goethals Bridge Replacement Project, AMT, 5.38%, 1/01/43   | 1,000                                       | 1,123,810    |
| <b>Municipal Bonds</b>  |   |              |
| <b>New Jersey (concluded)</b>   |   |              |
| New Jersey EDA, RB (concluded):   |   |              |
| School Facilities Construction (AGC), 6.00%, 12/15/18 (a)   | \$ 980                                      | \$ 1,170,120 |
| School Facilities Construction (AGC), 6.00%, 12/15/34   | 20  | 23,454       |
| School Facilities Construction, Series UU, 5.00%, 6/15/40   | 585   | 652,117      |
| The Goethals Bridge Replacement Project, AMT (AGM), 5.00%, 1/01/31  | 530   | 600,426      |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38                                | 1,400                                       | 1,593,522    |

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New Jersey Transportation Trust Fund Authority, RB, Transportation System:

|                           |       |           |
|---------------------------|-------|-----------|
| Series A, 5.50%, 6/15/41  | 1,195 | 1,377,620 |
| Series AA, 5.50%, 6/15/39 | 1,600 | 1,865,872 |

8,406,941

**New York 7.0%**

|  |       |           |
|--|-------|-----------|
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 6/15/40 | 1,545 | 1,811,327 |
|--|-------|-----------|

|   |     |         |
|---|-----|---------|
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2015, Series S-1, 5.00%, 7/15/43 | 270 | 318,992 |
|---|-----|---------|

|  |       |           |
|--|-------|-----------|
| City of New York New York Transitional Finance Authority Building Aid, BARB, Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/29 | 2,000 | 2,332,800 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| New York State Dormitory Authority, Refunding RB, Series C, 5.00%, 3/15/42 | 1,590 | 1,865,722 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36 | 2,500 | 2,916,000 |
|--|-------|-----------|

9,244,841

**Ohio 1.4%**

|   |       |           |
|---|-------|-----------|
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/31 | 1,500 | 1,797,585 |
|---|-------|-----------|

**Pennsylvania 1.6%**

|   |       |           |
|---|-------|-----------|
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 6.00%, 12/01/41 | 2,000 | 2,163,500 |
|---|-------|-----------|

**South Carolina 4.9%**

|  |       |           |
|--|-------|-----------|
| County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38 | 1,470 | 1,778,186 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| County of Charleston South Carolina Airport District, ARB, Series A, AMT: 5.50%, 7/01/26 | 1,810 | 2,198,498 |
|--|-------|-----------|

|                |       |           |
|----------------|-------|-----------|
| 6.00%, 7/01/38 | 1,155 | 1,399,594 |
|----------------|-------|-----------|

|                |       |           |
|----------------|-------|-----------|
| 5.50%, 7/01/41 | 1,000 | 1,175,810 |
|----------------|-------|-----------|

6,552,088

**Texas 19.6%**

|  |       |           |
|--|-------|-----------|
| Austin Community College District Public Facility Corp., RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/33 | 2,250 | 2,539,823 |
|--|-------|-----------|

|   |     |         |
|---|-----|---------|
| Central Texas Turnpike System, Refunding RB, Series C (b): 5.00%, 8/15/37 | 650 | 740,955 |
|---|-----|---------|

|                |     |         |
|----------------|-----|---------|
| 5.00%, 8/15/42 | 305 | 346,608 |
|----------------|-----|---------|

|  |     |           |
|--|-----|-----------|
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37 | 930 | 1,104,933 |
|--|-----|-----------|

|   |       |           |
|---|-------|-----------|
| City of Frisco Texas ISD, GO, School Building (AGC), 5.50%, 8/15/41 | 1,210 | 1,445,708 |
|---|-------|-----------|

|  |       |           |
|--|-------|-----------|
| City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC): 6.00%, 11/15/35 | 2,700 | 3,247,236 |
|--|-------|-----------|

|                 |       |           |
|-----------------|-------|-----------|
| 6.00%, 11/15/36 | 2,055 | 2,460,061 |
|-----------------|-------|-----------|

|                 |       |           |
|-----------------|-------|-----------|
| 5.38%, 11/15/38 | 1,000 | 1,152,970 |
|-----------------|-------|-----------|

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniYield Investment Quality Fund (MFT)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>Texas (concluded)</b>  |   |              |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC):                     |   |              |
| 6.50%, 1/01/19 (a)  | \$ 265                                      | \$ 320,539   |
| 6.50%, 7/01/37  | 835   | 968,082      |
| Dallas-Fort Worth International Airport, ARB, Joint Improvement, Series H, AMT, 5.00%, 11/01/37   | 980   | 1,093,249    |
| Dallas-Fort Worth International Airport, Refunding RB, Joint Revenue, Series E, 5.50%, 11/01/27   | 2,500                                       | 3,082,150    |
| Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33  | 730   | 886,351      |
| North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41   | 2,750                                       | 3,314,107    |
| North Texas Tollway Authority, Refunding RB, 1st Tier:<br>(AGM), 6.00%, 1/01/43   | 1,000                                       | 1,195,090    |
| Series K-1 (AGC), 5.75%, 1/01/38  | 1,400                                       | 1,618,120    |
| Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38   | 420   | 500,354      |
|   |   | 26,016,336   |
| <b>Virginia 1.2%</b>  |   |              |
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43   | 380   | 436,111      |
| Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)   | 1,000                                       | 1,214,890    |
|   |   | 1,651,001    |
| <b>Washington 1.5%</b>  |   |              |
| City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36  | 1,000                                       | 1,170,630    |
| State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36   | 725   | 859,190      |
|   |   | 2,029,820    |
| <b>Total Municipal Bonds 126.8%</b>   |   | 168,500,409  |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (c)</b>   |   |              |
| <b>District of Columbia 0.7%</b>  |   |              |
| District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%,<br>10/01/18 (a)(d)                            | 760   | 903,632      |
| <b>Florida 2.3%</b>   |   |              |
| County of Hillsborough Florida Aviation Authority, ARB, Tampa International Airport, Series A,<br>AMT (AGC), 5.50%, 10/01/38            | 2,499                                       | 2,819,352    |
| County of Lee Florida Housing Finance Authority, RB, S/F Housing, Multi-County Program, Series<br>A-2, AMT (Ginnie Mae), 6.00%, 9/01/40 | 206   | 210,731      |
|   |   | 3,030,083    |
| <b>Kentucky 0.9%</b>  |   |              |
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC),<br>5.25%, 2/01/27                                    | 1,002                                       | 1,159,304    |
| <b>Nevada 7.2%</b>  |   |              |
| County of Clark Nevada Water Reclamation District, GO:<br>Limited Tax, 6.00%, 7/01/38   | 2,010                                       | 2,341,489    |
| Series B, 5.50%, 7/01/29  | 1,994                                       | 2,353,590    |
| Las Vegas Valley Water District, GO, Refunding, Series C, 5.00%, 6/01/28  | 4,200                                       | 4,920,594    |
|   |   | 9,615,673    |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (c)</b>   |   |              |
| <b>New Jersey 2.2%</b>  |   |              |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29   | \$ 1,610                                    | \$ 1,744,130 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B,<br>5.25%, 6/15/36 (d)                              | 1,000                                       | 1,119,401    |
|   |   | 2,863,531    |
| <b>New York 12.4%</b>   |   |              |



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City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution:

|   |       |             |
|---|-------|-------------|
| Series BB, 5.25%, 6/15/44   | 2,999 | 3,510,440   |
| Series FF-2, 5.50%, 6/15/40   | 1,095 | 1,283,584   |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39         | 1,000 | 1,134,812   |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (d)                                | 1,000 | 1,175,617   |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43 | 3,000 | 3,530,490   |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (d)             | 1,770 | 2,112,566   |
| New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 3/15/38                          | 3,250 | 3,736,233   |
|   |       | 16,483,742  |
| <b>Texas 2.3%</b>   |       |             |
| City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 2/01/31 (d)                      | 2,609 | 3,006,266   |
| <b>Utah 0.8%</b>  |       |             |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41  | 1,004 | 1,129,940   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 28.8%</b>                                     |       | 38,192,171  |
| <b>Total Long-Term Investments</b>  |       |             |
| <b>(Cost \$181,657,165) 155.6%</b>  |       | 206,692,580 |

### Short-Term Securities

|  | Shares    |                |
|--|-----------|----------------|
| FFI Institutional Tax-Exempt Fund, 0.03% (e)(f)  | 1,882,660 | 1,882,660      |
| <b>Total Short-Term Securities</b>   |           |                |
| <b>(Cost \$1,882,660) 1.4%</b>   |           | 1,882,660      |
| <b>Total Investments (Cost \$183,539,825) 157.0%</b>   |           | 208,575,240    |
| <b>Other Assets Less Liabilities 0.2%</b>  |           | 302,177        |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (14.7%)</b> |           | (19,513,698)   |
| <b>VMTP Shares, at Liquidation Value (42.5%)</b>   |           | (56,500,000)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |           | \$ 132,863,719 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

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

| Counterparty             | Value        | Unrealized Appreciation |
|--------------------------|--------------|-------------------------|
| Barclays Capital, Inc.   | \$ 1,087,563 | \$ 15,361               |
| Morgan Stanley & Co. LLC | 225,923      | 1,761                   |

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

(d) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreement, which expires from October 1, 2016 to November 15, 2019 is \$4,627,661.

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

(f) During the six months ended January 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 January 31, 2015 | Income |
|-----------------------------------|------------------------------|--------------|---------------------------------|--------|
| FBI Institutional Tax-Exempt Fund | 2,565,273                    | (682,613)    | 1,882,660                       | \$ 317 |

As of January 31, 2015, financial futures contracts outstanding were as follows:

| Contracts Short | Issue                      | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------------|----------------------------|------------------------|------------|----------------|-------------------------|
| (195)           | 10-Year U.S. Treasury Note | Chicago Board of Trade | March 2015 | \$ 25,520,625  | \$ (698,733)            |

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

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Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access.

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments).

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of January 31, 2015, 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> |              | \$ 206,692,580 |         | \$ 206,692,580 |
| Short-Term Securities              | \$ 1,882,660 |                |         | 1,882,660      |
| <b>Total</b>                       | \$ 1,882,660 | \$ 206,692,580 |         | \$ 208,575,240 |

<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                       | \$ (698,733) |         |         | \$ (698,733) |

<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 Investment Quality Fund (MFT)

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of January 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 | \$ 265,000 |                 |         | \$ 265,000      |
| <b>Liabilities:</b>                          |            |                 |         |                 |
| TOB trust certificates                       |            | \$ (19,509,342) |         | (19,509,342)    |
| VMTP Shares                                  |            | (56,500,000)    |         | (56,500,000)    |
| <b>Total</b>                                 | \$ 265,000 | \$ (76,009,342) |         | \$ (75,744,342) |

During the six months ended January 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments January 31, 2015 (Unaudited)

## BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

|   | (Percentages shown are based on Net Assets) |               |
|---|---|---------------|
|   | Par<br>(000)                                | Value         |
| <b>Municipal Bonds</b>  |   |               |
| <b>Michigan 134.2%</b>  |   |               |
| <b>Corporate 4.9%</b>   |   |               |
| County of Monroe EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22              | \$ 10,695                                   | \$ 14,403,812 |
| <b>County/City/Special District/School District 22.5%</b>   |   |               |
| Anchor Bay School District, GO, Refunding, (Q-SBLF):  |   |               |
| 4.38%, 5/01/27  | 960   | 1,058,218     |
| 4.50%, 5/01/29  | 900   | 990,423       |
| Charter Township of Canton Michigan, GO, Capital Improvement (AGM):   |   |               |
| 5.00%, 4/01/25  | 1,840                                       | 2,001,975     |
| 5.00%, 4/01/26  | 2,000                                       | 2,177,420     |
| 5.00%, 4/01/27  | 500   | 540,750       |
| City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30   | 500   | 524,065       |
| Columbia Michigan School District, GO, Unlimited Tax, School Building & Site (Q-SBLF), 5.00%, 5/01/38                   | 3,215                                       | 3,757,821     |
| Comstock Park Public Schools, GO, School Building & Site, Series B (Q-SBLF):  |   |               |
| 5.50%, 5/01/36  | 750   | 887,415       |
| 5.50%, 5/01/41  | 1,355                                       | 1,602,125     |
| County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19   | 600   | 606,210       |
| Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 5/01/39             | 3,300                                       | 3,781,701     |
| Dearborn School District, GO, Series A (Q-SBLF):  |   |               |
| 5.00%, 5/01/32  | 930   | 1,103,687     |
| 5.00%, 5/01/33  | 990   | 1,170,635     |
| 5.00%, 5/01/34  | 745   | 878,385       |
| Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%, 10/01/41                           | 3,070                                       | 3,390,784     |
| Fraser Public School District Michigan, GO:   |   |               |
| Refunding(Q-SBLF), 5.00%, 5/01/29 (a)   | 950   | 1,140,741     |
| School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/15 (b)   | 2,000                                       | 2,024,640     |
| Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF):  |   |               |
| 5.50%, 5/01/32  | 600   | 715,062       |
| 5.50%, 5/01/36  | 1,200                                       | 1,419,864     |
| 5.50%, 5/01/41  | 1,575                                       | 1,862,248     |
| Harper Creek Community School District Michigan, GO, Refunding, (AGM) (Q-SBLF), 5.00%, 5/01/22                          | 1,125                                       | 1,138,219     |
| Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41   | 4,100                                       | 4,662,274     |
| L Anse Creuse Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF) (b):                                   |   |               |
| 5.00%, 5/01/15  | 1,600                                       | 1,619,712     |
| 5.00%, 5/01/15  | 3,000                                       | 3,036,960     |
| Lincoln Consolidated School District Michigan, GO, Refunding, (NPFGC) (Q-SBLF), 4.63%, 5/01/28                          | 3,650                                       | 3,806,329     |
| Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 5/01/43                                     | 3,090                                       | 3,553,315     |
| Montrose Community Schools, GO, (NPFGC) (Q-SBLF), 6.20%, 5/01/17  | 625   | 662,138       |
| Romulus Community Schools, GO, Unlimited Tax, Refunding (AGM) (Q-SBLF):   |   |               |
| 4.25%, 5/01/27  | 1,200                                       | 1,324,260     |
| 4.50%, 5/01/29  | 1,025                                       | 1,139,185     |
| Roseville Community Schools, GO, Refunding(Q-SBLF), 5.00%, 5/01/34 (a)  | 3,780                                       | 4,442,823     |
| Thornapple Kellogg School District Michigan, GO, Refunding, School Building & Site (NPFGC) (Q-SBLF), 5.00%, 5/01/17 (b) | 2,500                                       | 2,749,325     |
| Troy School District, GO, (Q-SBLF), 5.00%, 5/01/28  | 1,240                                       | 1,493,840     |
|   | <b>Par</b>                                  |               |
|   | <b>(000)</b>                                | <b>Value</b>  |
| <b>Municipal Bonds</b>  |   |               |
| <b>Michigan (continued)</b>   |   |               |
| <b>County/City/Special District/School District (concluded)</b>   |   |               |
| Van Dyke Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/28                             | \$ 1,250                                    | \$ 1,387,112  |
| Walled Lake Consolidated School District, GO, (Q-SBLF):   |   |               |
| 5.00%, 5/01/37  | 1,770                                       | 2,074,847     |
| 5.00%, 5/01/40  | 1,630                                       | 1,902,471     |
|   |   | 66,626,979    |
| <b>Education 23.4%</b>  |   |               |
| Central Michigan University, Refunding RB, 5.00%, 10/01/39  | 620   | 732,518       |

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|  |        |            |
|--|--------|------------|
| Grand Valley State University, RB, (NPFGC), 5.50%, 2/01/18   | 1,115  | 1,175,511  |
| Michigan Finance Authority, Refunding RB:  |        |            |
| AMT, 4.00%, 11/01/28   |        |            |
| AMT, 4.00%, 11/01/29   |        |            |
| AMT, 4.00%, 11/01/30   | 5,425  | 5,583,139  |
|  | 3,660  | 3,752,525  |
|  | 1,770  | 1,808,834  |
| AMT, 4.00%, 11/01/31   | 1,955  | 1,995,918  |
| Michigan State University, Refunding RB, General:  |        |            |
| Series A, 5.00%, 8/15/41   | 4,980  | 5,836,062  |
| Series C, 5.00%, 2/15/40   | 4,700  | 5,351,561  |
| Michigan Technological University, Refunding RB, Series A, 5.00%, 10/01/34                         | 1,340  | 1,535,077  |
| Oakland University, RB, General, Series A:   |        |            |
| 5.00%, 3/01/38   | 8,485  | 9,767,508  |
| 5.00%, 3/01/43   | 13,865 | 15,906,898 |
| University of Michigan, RB, Series A, 5.00%, 4/01/39   | 2,125  | 2,540,544  |
| Wayne State University, RB, Series A, 5.00%, 11/15/40  | 2,000  | 2,318,740  |
| Western Michigan University, Refunding RB, General:  |        |            |
| 5.00%, 11/15/39  | 1,085  | 1,247,034  |
| University and College Improvements, 5.25%, 11/15/40   | 2,100  | 2,410,527  |
| University and College Improvements, 5.25%, 11/15/43   | 5,255  | 6,224,968  |
| University and College Improvements (AGM), 5.25%, 11/15/33   | 620    | 723,422    |
|  |        | 68,910,786 |
| <b>Health 28.7%</b>  |        |            |
| Grand Traverse County Hospital Finance Authority, RB, Series A:                                    |        |            |
| 5.00%, 7/01/44   | 1,075  | 1,234,089  |
| 5.00%, 7/01/47   | 1,365  | 1,563,717  |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36         | 4,750  | 5,283,852  |
| Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A, 5.00%, 11/15/29 | 4,500  | 5,250,555  |
| Michigan Finance Authority, RB, Sparrow Obligated Group, 5.00%, 11/15/36                           | 1,550  | 1,718,423  |
| Michigan Finance Authority, Refunding RB:  |        |            |
| 5.00%, 6/01/39   | 930    | 1,070,625  |
| Hospital, Oakwood Obligated Group, 5.00%, 8/15/31  | 930    | 1,083,701  |
| Trinity Health Credit Group, 5.00%, 12/01/31   | 3,100  | 3,554,739  |
| Trinity Health Credit Group, 5.00%, 12/01/35   | 4,100  | 4,646,612  |
| Trinity Health Credit Group, 5.00%, 12/01/39   | 3,350  | 3,765,601  |
| Michigan State Hospital Finance Authority, RB:   |        |            |
| Ascension Health Senior Credit Group, 5.00%, 11/15/25  | 3,700  | 4,256,961  |
| McLaren Health Care, Series C, 5.00%, 8/01/35  | 1,000  | 1,021,910  |
| MidMichigan Obligated Group, Series A, 5.00%, 4/15/16 (b)  | 620    | 655,315    |
| MidMichigan Obligated Group, Series A, 5.00%, 4/15/16 (b)  | 3,550  | 3,752,208  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>Michigan (continued)</b>   |   |              |
| <b>Health (concluded)</b>   |   |              |
| Michigan State Hospital Finance Authority,<br>Refunding RB:   |   |              |
| Henry Ford Health System, Series A, 5.25%, 11/15/46   | \$ 2,500                                    | \$ 2,609,125 |
| Hospital, Oakwood Obligated Group, 5.00%, 11/01/32  | 4,000                                       | 4,579,280    |
| Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (b)   | 600   | 663,774      |
| Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (b)   | 3,260                                       | 3,606,505    |
| Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (b)   | 630   | 696,963      |
| Hospital, Sparrow Obligated Group, 5.00%, 11/15/31  | 3,100                                       | 3,369,700    |
| McLaren Health Care, Series A, 5.00%, 6/01/35   | 1,390                                       | 1,559,149    |
| McLaren Health Care, Series A, 5.75%, 5/15/38   | 4,500                                       | 5,085,450    |
| Trinity Health Credit Group, Series A, 6.25%, 12/01/28  | 930   | 1,086,947    |
| Trinity Health Credit Group, Series C, 4.00%, 12/01/32  | 3,850                                       | 4,091,280    |
| Trinity Health Credit, Series A, 6.50%, 12/01/33  | 1,000                                       | 1,181,550    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital:<br>Series D, 5.00%, 9/01/39 | 11,000                                      | 12,662,540   |
| Series V, 8.25%, 9/01/18 (b)  | 1,000                                       | 1,262,830    |
| Series W, 6.00%, 8/01/19 (b)  | 925   | 1,129,730    |
| State of Michigan Hospital Finance Authority, Refunding RB, Henry Ford Health, 5.75%, 11/15/39                      | 1,965                                       | 2,258,335    |
|   |   | 84,701,466   |
| <b>Housing 9.3%</b>   |   |              |
| Michigan State HDA, RB:   |   |              |
| Deaconess Tower, AMT (Ginnie Mae), 5.25%, 2/20/48   | 1,000                                       | 1,021,610    |
| Series A, 4.75%, 12/01/25   | 4,235                                       | 4,594,679    |
| Series A, 4.45%, 10/01/34   | 620   | 662,420      |
| Series A, 4.63%, 10/01/39   | 2,165                                       | 2,308,128    |
| Series A, 4.75%, 10/01/44   | 3,100                                       | 3,300,539    |
| Williams Pavilion, AMT (Ginnie Mae), 4.75%, 4/20/37   | 3,575                                       | 3,651,898    |
| Michigan State HDA, Refunding RB:   |   |              |
| Rental Housing, Series D, 4.50%, 10/01/48   | 6,230                                       | 6,595,639    |
| Series A, 6.05%, 10/01/41   | 4,825                                       | 5,386,775    |
|   |   | 27,521,688   |
| <b>State 15.3%</b>  |   |              |
| Michigan State Building Authority, Refunding RB, 5.00%, 10/15/31  | 1,000                                       | 1,061,520    |
| Michigan Finance Authority, Refunding RB,<br>5.00%, 10/01/39  | 3,350                                       | 3,878,128    |
| Michigan State Finance Authority, RB, Local Government Loan Program, Series F,<br>5.00%, 4/01/31                    | 1,000                                       | 1,107,920    |
| Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%, 10/15/31                      | 4,350                                       | 5,040,649    |
| State of Michigan, COP, (AMBAC), 0.00%, 6/01/22 (c)(d)  | 3,000                                       | 2,683,620    |
| State of Michigan Building Authority, RB, Local Government Loan Program, Series F,<br>5.25%, 10/01/41               | 6,085                                       | 6,759,096    |
| State of Michigan Building Authority, Refunding RB, Facilities Program:<br>Series I, 6.25%, 10/15/38                | 3,900                                       | 4,583,163    |
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>Michigan (continued)</b>   |   |              |
| <b>State (concluded)</b>  |   |              |
| State of Michigan Building Authority, Refunding RB, Facilities Program (concluded):                                 |   |              |
| Series I (AGC), 5.25%, 10/15/24   | \$ 4,000                                    | \$ 4,692,920 |
| Series I (AGC), 5.25%, 10/15/25   | 2,000                                       | 2,338,500    |
| Series I (AGC), 5.25%, 10/15/26   | 600   | 699,942      |
| Series I-A, 5.50%, 10/15/45   | 1,250                                       | 1,458,375    |
| Series II (AGM), 5.00%, 10/15/26  | 4,500                                       | 5,198,670    |
| State of Michigan Trunk Line Fund, RB:  |   |              |
| 5.00%, 11/15/33   | 1,850                                       | 2,173,528    |
| 5.00%, 11/15/36   | 3,125                                       | 3,636,438    |

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|  |        |                    |
|--|--------|--------------------|
|  |        | 45,312,469         |
| <b>Transportation 13.5%</b>  |        |                    |
| State of Michigan, RB, GAB (AGM), 5.25%, 9/15/27   | 5,250  | 5,830,493          |
| Wayne County Airport Authority, RB, Detroit Metropolitan Wayne County Airport, AMT (NPFGC):          |        |                    |
| 5.25%, 12/01/25  | 6,270  | 6,502,053          |
| 5.25%, 12/01/26  | 6,300  | 6,533,163          |
| 5.00%, 12/01/34  | 4,435  | 4,574,569          |
| 5.00%, 12/01/39  | 915    | 1,033,218          |
| Wayne County Airport Authority, Refunding RB, AMT (AGC):   |        |                    |
| 5.75%, 12/01/25  | 4,000  | 4,570,240          |
| 5.75%, 12/01/26  | 1,000  | 1,142,560          |
| 5.38%, 12/01/32  | 8,700  | 9,840,396          |
|  |        | 40,026,692         |
| <b>Utilities 16.6%</b>   |        |                    |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 7/01/39 | 1,645  | 1,811,309          |
| City of Detroit Michigan Water Supply System, RB, Senior Lien, Series A (NPFGC), 5.00%, 7/01/34      | 1,425  | 1,429,945          |
| City of Detroit Michigan Water Supply System, Refunding RB, 2nd Lien, Series C (AGM), 5.00%, 7/01/29 | 10,470 | 10,823,677         |
| City of Holland Michigan Electric Utility System, RB, Series A:                                      |        |                    |
| 5.00%, 7/01/33   | 1,860  | 2,161,785          |
| 5.00%, 7/01/39   | 7,575  | 8,761,548          |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A:                     |        |                    |
| 5.00%, 7/01/27   | 1,970  | 2,309,470          |
| 5.00%, 7/01/31   | 4,230  | 4,891,530          |
| 5.00%, 7/01/37   | 2,065  | 2,361,493          |
| 5.50%, 7/01/41   | 3,000  | 3,604,560          |
| City of Port Huron Michigan, RB, Water Supply System:  |        |                    |
| 5.25%, 10/01/31  | 310    | 347,485            |
| 5.63%, 10/01/40  | 1,000  | 1,133,640          |
| Michigan Finance Authority, Refunding RB, Senior Lien, Detroit Water and Sewer, Series C-3:          |        |                    |
| 5.00%, 7/01/31   | 620    | 716,125            |
| 5.00%, 7/01/32   | 3,255  | 3,742,436          |
| 5.00%, 7/01/33   | 1,860  | 2,130,370          |
| Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund:                             |        |                    |
| 5.00%, 10/01/27  | 1,250  | 1,338,412          |
| Pooled Project, 5.00%, 10/01/27  | 1,240  | 1,470,739          |
|  |        | 49,034,524         |
| <b>Total Municipal Bonds in Michigan</b>   |        | <b>396,538,416</b> |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

|   | (Percentages shown are based on Net Assets) |                |
|---|---|----------------|
|   | Par<br>(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  | \$ 500                                      | \$ 570,485     |
| Business Privilege Tax Bonds, Series A, 5.13%, 1/01/42  | 4,850                                       | 5,470,169      |
| Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/32  | 925   | 1,047,211      |
| Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/37  | 665   | 744,448        |
| Limited Obligation Bonds, Section 30, Series A, 5.63%, 12/01/29                                     | 1,400                                       | 1,563,562      |
| <b>Total Municipal Bonds in Guam</b>  |   | 9,395,875      |
| <b>U.S. Virgin Islands 2.1%</b>   |   |                |
| State 2.1%  |   |                |
| Virgin Islands Public Finance Authority, Refunding RB, Series C, 5.00%, 10/01/39                    | 5,540                                       | 6,197,155      |
| <b>Total Municipal Bonds 139.5%</b>   |   | 412,131,446    |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (e)</b>                             |   |                |
| <b>Michigan 16.6%</b>   |   |                |
| County/City/Special District/School District 4.2%   |   |                |
| Lakewood Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/37         | 6,771                                       | 7,294,990      |
| Portage Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/31                   | 4,650                                       | 5,123,184      |
|   |   | 12,418,174     |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (e)</b>                             | <b>Par<br/>(000)</b>                        | <b>Value</b>   |
| <b>Michigan (concluded)</b>   |   |                |
| <b>Education 12.3%</b>  |   |                |
| Michigan State University, Refunding RB, General, Series A, 5.00%, 8/15/38                          | \$ 6,220                                    | \$ 7,325,481   |
| Saginaw Valley State University, Refunding RB, General (AGM), 5.00%, 7/01/31                        | 7,500                                       | 8,320,125      |
| Wayne State University, RB, General, Series A, 5.00%, 11/15/40                                      | 6,190                                       | 7,176,500      |
| Wayne State University, Refunding RB, General (AGM), 5.00%, 11/15/35                                | 12,207                                      | 13,681,710     |
|   |   | 36,503,816     |
| <b>Health 0.1%</b>  |   |                |
| Michigan Finance Authority, RB, Hospital, Trinity Health Credit Group, 5.00%, 12/01/39              | 190   | 213,571        |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 16.6%</b>                     |   | 49,135,561     |
| <b>Total Long-Term Investments</b>  |   |                |
| <b>(Cost \$418,324,710) 156.1%</b>  |   | 461,267,007    |
| <b>Short-Term Securities</b>  | <b>Shares</b>                               |                |
| FFI Institutional Tax-Exempt Fund, 0.03% (f)(g)   | 2,435,167                                   | 2,435,167      |
| <b>Total Short-Term Securities</b>  |   |                |
| <b>(Cost \$2,435,167) 0.8%</b>  |   | 2,435,167      |
| <b>Total Investments (Cost \$420,759,877) 156.9%</b>  |   | 463,702,174    |
| <b>Liabilities in Excess of Other Assets (0.0%)</b>   |   | (145,529)      |
| <b>Liability for TOB Trust Certificates, Including Interest<br/>Expense and Fees Payable (8.0%)</b> |   | (23,490,857)   |
| <b>VRDP Shares, at Liquidation Value (48.9%)</b>  |   | (144,600,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |   | \$ 295,465,788 |

Notes to Schedule of investments

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

| Counterparty                | Value        | Unrealized Appreciation |
|-----------------------------|--------------|-------------------------|
| Stifel Nicolaus & Co., Inc. | \$ 5,583,564 | \$ 90,457               |

(b) 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.

(c) Security is collateralized by municipal or U.S. Treasury obligations.

(d) Zero-coupon bond.

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

(f) During the six months ended January 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 January 31, 2015 | Income |
|-----------------------------------|------------------------------|--------------|---------------------------------|--------|
| BIF Michigan Municipal Money Fund | 3,889,640                    | (3,889,640)  |                                 |        |
| FFI Institutional Tax-Exempt Fund |                              | 2,435,167    | 2,435,167                       | \$ 172 |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

As of January 31, 2015, financial futures contracts outstanding were as follows:

| Contracts Short | Issue                      | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------------|----------------------------|------------------------|------------|----------------|-------------------------|
| (240)           | 10-Year U.S. Treasury Note | Chicago Board of Trade | March 2015 | \$ 31,410,000  | \$ (808,568)            |
| (55)            | 5-Year U.S. Treasury Note  | Chicago Board of Trade | March 2015 | 6,673,906      | (114,803)               |
| <b>Total</b>    |                            |                        |            |                | \$ (923,371)            |

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.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)  
Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of January 31, 2015, 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:                 |              |                |         |                |
| Municipal Bonds <sup>1</sup> |              | \$ 461,267,007 |         | \$ 461,267,007 |
| Short-Term Securities        | \$ 2,435,167 |                |         | 2,435,167      |
| <b>Total</b>                 | \$ 2,435,167 | \$ 461,267,007 |         | \$ 463,702,174 |

<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>                           |         |         |         |       |

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Interest rate contracts \$ (923,371) \$ (923,371)

<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 January 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 | \$ 375,000 |                  |         | \$ 375,000       |
| <b>Liabilities:</b>                          |            |                  |         |                  |
| TOB trust certificates                       |            | \$ (23,487,000)  |         | (23,487,000)     |
| VRDP Shares                                  |            | (144,600,000)    |         | (144,600,000)    |
| <b>Total</b>                                 | \$ 375,000 | \$ (168,087,000) |         | \$ (167,712,000) |

During the six months ended January 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments January 31, 2015 (Unaudited)

## BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>New Jersey 124.1%</b>  |   |              |
| <b>Corporate 5.5%</b>   |   |              |
| New Jersey EDA, Refunding RB:   |   |              |
| New Jersey American Water Co., Inc. Project, Series A, AMT, 5.70%, 10/01/39   | \$ 5,000                                    | \$ 5,832,950 |
| New Jersey American Water Co., Inc. Project, Series B, AMT, 5.60%, 11/01/34   | 1,000                                       | 1,148,810    |
| United Water of New Jersey, Inc., Series B (AMBAC), 4.50%, 11/01/25   | 1,000                                       | 1,101,470    |
|   |   | 8,083,230    |
| <b>County/City/Special District/School District 16.5%</b>   |   |              |
| Borough of Hopatcong New Jersey, GO, Refunding, Sewer (AMBAC), 4.50%, 8/01/33   | 750   | 772,553      |
| Casino Reinvestment Development Authority, Refunding RB, 5.25%, 11/01/39  | 3,250                                       | 3,622,450    |
| City of Perth Amboy New Jersey, GO, CAB, Refunding (AGM), 5.00%, 7/01/35  | 1,250                                       | 1,320,488    |
| County of Essex New Jersey Improvement Authority, Refunding RB, AMT (NPFGC), 4.75%, 11/01/32                            | 1,000                                       | 1,048,570    |
| County of Hudson New Jersey, COP, Refunding, (NPFGC), 6.25%, 12/01/16   | 1,000                                       | 1,088,380    |
| County of Hudson New Jersey Improvement Authority, RB:  |   |              |
| CAB, Series A-1 (NPFGC), 0.00%, 12/15/32 (a)  | 1,000                                       | 535,940      |
| County Secured, County Services Building Project (AGM), 5.00%, 4/01/27  | 250   | 268,668      |
| Harrison Parking Facility Project, Series C (AGC), 5.25%, 1/01/39   | 1,000                                       | 1,134,850    |
| Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44   | 1,400                                       | 1,599,990    |
| County of Monmouth New Jersey Improvement Authority, Refunding RB, Governmental Loan (AMBAC):                           |   |              |
| 5.25%, 12/01/15   | 5   | 5,019        |
| 5.00%, 12/01/17   | 5   | 5,015        |
| 5.00%, 12/01/18   | 5   | 5,014        |
| 5.00%, 12/01/19   | 5   | 5,013        |
| County of Union New Jersey, GO, Refunding:  |   |              |
| 4.00%, 3/01/29  | 1,060                                       | 1,157,997    |
| 4.00%, 3/01/30  | 1,060                                       | 1,154,234    |
| 4.00%, 3/01/31  | 1,200                                       | 1,303,140    |
| County of Union New Jersey Utilities Authority, Refunding RB, Series A:   |   |              |
| Resources Recovery Facility, Covanta Union, Inc., AMT, 5.25%, 12/01/31  | 200   | 225,642      |
| Solid Waste System, County Deficiency Agreement, 5.00%, 6/15/41   | 2,155                                       | 2,447,477    |
| Edgewater Borough Board of Education, GO, Refunding, (AGM):   |   |              |
| 4.25%, 3/01/34  | 300   | 330,498      |
| 4.25%, 3/01/35  | 300   | 330,348      |
| 4.30%, 3/01/36  | 300   | 331,248      |
| New Jersey Sports & Exposition Authority, Refunding RB, (NPFGC) (b):  |   |              |
| 5.50%, 3/01/21  | 1,540                                       | 1,919,733    |
| 5.50%, 3/01/22  | 1,050                                       | 1,333,804    |
| Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 4.38%, 1/01/37                            | 1,720                                       | 1,753,282    |
| Township of Irvington, GO, Refunding, Series A (AGM), 5.00%, 7/15/33  | 500   | 578,245      |
|   |   | 24,277,598   |
| <b>Education 31.0%</b>  |   |              |
| New Jersey EDA, LRB, Rutgers - The State University of New Jersey, College Avenue Redevelopment Project, 5.00%, 6/15/33 | 880   | 1,043,099    |
| <b>Municipal Bonds</b>  |   |              |
| <b>New Jersey (continued)</b>   |   |              |
| <b>Education (concluded)</b>  |   |              |
| New Jersey Educational Facilities Authority, RB, Series A:  |   |              |
| Higher Educational Capital Improvement Fund, 5.00%, 9/01/26   | \$ 1,000                                    | \$ 1,157,690 |
| Higher Educational Capital Improvement Fund, 5.00%, 9/01/33   | 2,060                                       | 2,336,679    |
| Montclair State University (AMBAC), 5.00%, 7/01/16 (c)  | 1,600                                       | 1,705,952    |
| New Jersey Educational Facilities Authority, Refunding RB:  |   |              |
| College of New Jersey, Series D (AGM), 5.00%, 7/01/35   | 3,805                                       | 4,239,873    |
| Montclair State University, Series A, 5.00%, 7/01/39  | 4,500                                       | 5,339,205    |
| Montclair State University, Series J (NPFGC), 4.25%, 7/01/30  | 2,765                                       | 2,827,738    |
| Montclair State University, Series A, 5.00%, 7/01/44  | 1,020                                       | 1,209,281    |
| New Jersey Institute of Technology, Series H, 5.00%, 7/01/31  | 1,000                                       | 1,144,230    |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/31  | 1,250                                       | 1,288,538    |
| Rowan University, Series B (AGC), 5.00%, 7/01/26  | 2,575                                       | 2,892,266    |

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|  |       |            |
|--|-------|------------|
| Seton Hall University, Series D, 5.00%, 7/01/38  | 140   | 160,413    |
| Seton Hall University, Series D, 5.00%, 7/01/43  | 170   | 194,720    |
| Stevens Institute of Technology, Series A, 5.00%, 7/01/34  | 1,500 | 1,610,550  |
| William Paterson University, Series C (AGC), 4.75%, 7/01/34  | 1,115 | 1,228,875  |
| New Jersey Higher Education Student Assistance Authority, RB, Senior Student Loan, Series 1A, AMT: |       |            |
| 4.00%, 12/01/28  | 710   | 741,758    |
| 4.50%, 12/01/28  | 1,170 | 1,270,831  |
| 4.00%, 12/01/29  | 290   | 303,276    |
| 4.00%, 12/01/29  | 1,575 | 1,634,015  |
| 4.50%, 12/01/29  | 1,550 | 1,686,385  |
| 4.63%, 12/01/30  | 1,475 | 1,607,322  |
| 4.00%, 12/01/31  | 290   | 299,796    |
| 4.25%, 12/01/32  | 590   | 617,978    |
| 4.13%, 12/01/35  | 290   | 299,761    |
| 4.50%, 12/01/36  | 525   | 561,698    |
| New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT,             |       |            |
| 5.50%, 12/01/26  | 1,800 | 2,051,316  |
| New Jersey Institute of Technology, RB, Series A, 5.00%, 7/01/42                                   | 1,900 | 2,185,114  |
| Rutgers - The State University of New Jersey, Refunding RB, Series L:                              |       |            |
| 5.00%, 5/01/30   | 465   | 556,549    |
| 5.00%, 5/01/43   | 2,850 | 3,309,049  |
|  |       | 45,503,957 |
| <b>Health 14.7%</b>  |       |            |
| County of Camden Improvement Authority, Refunding RB, The Cooper Health System, Series A,          |       |            |
| 5.00%, 2/15/33   | 580   | 661,884    |
| New Jersey Health Care Facilities Financing Authority, RB:   |       |            |
| Meridian Health System Obligated Group, Series I (AGC), 5.00%, 7/01/38                             | 700   | 753,900    |
| Meridian Health System Obligated Group, Series II (AGC), 5.00%, 7/01/38                            | 975   | 1,050,075  |
| Meridian Health System Obligated Group, Series V (AGC), 5.00%, 7/01/38                             | 940   | 1,012,380  |
| Robert Wood Johnson University Hospital, Series A, 5.50%, 7/01/43                                  | 2,220 | 2,661,247  |
| Virtua Health, Series A (AGC), 5.50%, 7/01/38  | 1,000 | 1,138,230  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)

|  | (Percentages shown are based on Net Assets) |              |
|--|---|--------------|
|  | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>   |   |              |
| <b>New Jersey (continued)</b>  |   |              |
| <b>Health (concluded)</b>  |   |              |
| New Jersey Health Care Facilities Financing Authority, Refunding RB:         |   |              |
| 5.00%, 7/01/28   | \$ 870                                      | \$ 1,039,841 |
| 5.00%, 7/01/29   | 205   | 244,477      |
| 5.50%, 7/01/31   | 1,175                                       | 1,405,159    |
| AHS Hospital Corp., 6.00%, 7/01/41   | 1,100                                       | 1,329,174    |
| Catholic Health East Issue, 5.00%, 11/15/33                                  | 550   | 636,213      |
| Hackensack University Medical (AGM), 4.63%, 1/01/30                          | 2,315                                       | 2,507,863    |
| Meridian Health System Obligated Group, 5.00%, 7/01/25                       | 300   | 350,613      |
| Meridian Health System Obligated Group, 5.00%, 7/01/26                       | 2,130                                       | 2,476,807    |
| St. Barnabas Health Care System, Series A, 5.00%, 7/01/24                    | 1,820                                       | 2,102,300    |
| St. Barnabas Health Care System, Series A, 5.63%, 7/01/32                    | 440   | 515,662      |
| St. Barnabas Health Care System, Series A, 5.63%, 7/01/37                    | 1,300                                       | 1,507,753    |
| St. Luke s Warren Hospital Obligated Group, 4.00%, 8/15/37                   | 180   | 185,252      |
|  |   | 21,578,830   |
| <b>Housing 7.5%</b>  |   |              |
| New Jersey Housing & Mortgage Finance Agency, RB:                            |   |              |
| Capital Fund Program, Series A (AGM), 5.00%, 5/01/27                         | 1,970                                       | 2,136,642    |
| M/F Housing, Series A, 4.55%, 11/01/43                                       | 1,425                                       | 1,503,688    |
| M/F Housing, Series A, AMT (NPFGC), 4.90%, 11/01/35                          | 820   | 820,738      |
| M/F Housing, Series A, AMT (NPFGC), 4.85%, 11/01/39                          | 400   | 404,188      |
| S/F Housing, Series AA, 6.50%, 10/01/38                                      | 260   | 270,338      |
| S/F Housing, Series B, 4.50%, 10/01/30                                       | 2,720                                       | 2,961,427    |
| New Jersey Housing & Mortgage Finance Agency, Refunding RB, AMT:             |   |              |
| M/F Housing, Series 2, 4.60%, 11/01/38                                       | 1,070                                       | 1,142,514    |
| M/F Housing, Series 2, 4.75%, 11/01/46                                       | 1,205                                       | 1,278,228    |
| S/F Housing, Series T, 4.70%, 10/01/37                                       | 425   | 434,741      |
|  |   | 10,952,504   |
| <b>State 19.3%</b>   |   |              |
| Garden State Preservation Trust, RB (AGM):                                   |   |              |
| CAB, Series B, 0.00%, 11/01/23 (a)   | 6,725                                       | 5,570,519    |
| Election of 2005, Series A, 5.80%, 11/01/15 (c)                              | 2,605                                       | 2,715,895    |
| New Jersey EDA, RB:  |   |              |
| CAB, Motor Vehicle Surcharge, Series A (NPFGC), 0.00%, 7/01/21 (a)           | 2,325                                       | 1,984,155    |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25                    | 1,000                                       | 1,249,840    |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33                    | 7,000                                       | 7,133,070    |
| School Facilities Construction (AGC), 6.00%, 12/15/18 (c)                    | 1,185                                       | 1,414,890    |
| School Facilities Construction (AGC), 6.00%, 12/15/34                        | 15  | 17,590       |
| School Facilities Construction, Series KK, 5.00%, 3/01/38                    | 380   | 419,277      |
| School Facilities Construction, Series U, 5.00%, 9/01/37                     | 1,040                                       | 1,131,697    |
| School Facilities Construction, Series U (AMBAC), 5.00%, 9/01/37             | 365   | 397,182      |
| School Facilities Construction, Series UU, 5.00%, 6/15/30                    | 750   | 847,545      |
|  | <b>Par<br/>(000)</b>                        | <b>Value</b> |
| <b>Municipal Bonds</b>   |   |              |
| <b>New Jersey (continued)</b>  |   |              |
| <b>State (concluded)</b>   |   |              |
| New Jersey EDA, RB (concluded):  |   |              |
| School Facilities Construction, Series UU, 5.00%, 6/15/34                    | \$ 405                                      | \$ 453,183   |
| School Facilities Construction, Series UU, 5.00%, 6/15/40                    | 1,000                                       | 1,114,730    |
| New Jersey EDA, Refunding RB:  |   |              |
| Cigarette Tax, 5.00%, 6/15/26  | 355   | 403,823      |
| Cigarette Tax, 5.00%, 6/15/28  | 910   | 1,025,907    |
| Cigarette Tax, 5.00%, 6/15/29  | 1,195                                       | 1,344,458    |
| School Facilities Construction, Series NN, 5.00%, 3/01/29                    | 500   | 561,390      |
| State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 6/15/27 | 500   | 564,285      |
|  |   | 28,349,436   |
| <b>Transportation 23.7%</b>  |   |              |

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|   |       |            |
|---|-------|------------|
| Delaware River Port Authority, RB:  |       |            |
| 5.00%, 1/01/29  | 750   | 896,415    |
| 5.00%, 1/01/37  | 2,865 | 3,356,921  |
| Series D, 5.05%, 1/01/35  | 1,430 | 1,626,882  |
| Series D (AGM), 5.00%, 1/01/40  | 1,500 | 1,704,540  |
| New Jersey EDA, RB, The Goethals Bridge Replacement Project, AMT:   |       |            |
| Private Activity Bond, 5.13%, 1/01/34   | 660   | 739,933    |
| 5.38%, 1/01/43  | 2,235 | 2,511,715  |
| New Jersey State Turnpike Authority, RB, Growth & Income Securities, Series B (AMBAC), 5.15%, 1/01/35 (d) |       |            |
|   | 3,005 | 3,218,235  |
| New Jersey State Turnpike Authority, Refunding RB, Series A (AGM), 5.25%, 1/01/29                         |       |            |
|   | 2,000 | 2,574,960  |
| New Jersey Transportation Trust Fund Authority, RB:   |       |            |
| CAB, Transportation System, Series C (AGM), 0.00%, 12/15/32 (a)   | 4,750 | 2,247,700  |
| CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/35 (a)   | 2,760 | 1,105,794  |
| Transportation Program, Series AA, 5.00%, 6/15/33   | 850   | 940,364    |
| Transportation Program, Series AA, 5.25%, 6/15/33   | 1,640 | 1,887,820  |
| Transportation Program, Series AA, 5.00%, 6/15/38   | 680   | 755,154    |
| Transportation System, Series A, 6.00%, 6/15/35   | 2,000 | 2,457,480  |
| Transportation System, Series A (AGC), 5.63%, 12/15/28  | 780   | 912,709    |
| Transportation System, Series B, 5.50%, 6/15/31   | 390   | 459,042    |
| Transportation System, Series B, 5.25%, 6/15/36   | 725   | 811,398    |
| Port Authority of New York & New Jersey, ARB:   |       |            |
| Consolidated, 93rd Series, 6.13%, 6/01/94   | 1,000 | 1,230,770  |
| Special Project, JFK International Air Terminal LLC Project, Special Project, Series 8, 6.00%, 12/01/42   | 1,500 | 1,783,395  |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 152nd Series, AMT, 5.75%, 11/01/30  |       |            |
|   | 2,000 | 2,266,120  |
| Port Authority of New York & New Jersey, Refunding RB, AMT, 5.00%, 12/01/33                               |       |            |
|   | 1,155 | 1,338,922  |
|   |       | 34,826,269 |
| <b>Utilities 5.9%</b>   |       |            |
| County of Essex New Jersey Utilities Authority, Refunding RB, (AGC), 4.13%, 4/01/22                       |       |            |
|   | 670   | 735,553    |
| North Hudson Sewerage Authority, Refunding RB, Series A (NPFGC), 5.13%, 8/01/20 (b)                       |       |            |
|   | 1,710 | 2,081,036  |
| Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC) (a):  |       |            |
| 0.00%, 9/01/26  | 4,100 | 2,886,072  |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>New Jersey (concluded)</b>   |   |              |
| <b>Utilities (concluded)</b>  |   |              |
| Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC) (a) (concluded):  |   |              |
| 0.00%, 9/01/29  | \$ 2,750                                    | \$ 1,689,022 |
| 0.00%, 9/01/33  | 2,350                                       | 1,226,348    |
|   |   | 8,618,031    |
| <b>Total Municipal Bonds in New Jersey</b>  |   | 182,189,855  |
| <b>Guam 3.4%</b>  |   |              |
| <b>State 3.4%</b>   |   |              |
| Territory of Guam, RB, Business Privilege Tax Bonds:  |   |              |
| Series A, 5.25%, 1/01/36  | 120   | 136,916      |
| Series A, 5.13%, 1/01/42  | 4,100                                       | 4,624,267    |
| Series B-1, 5.00%, 1/01/37  | 155   | 173,518      |
| <b>Total Municipal Bonds in Guam</b>  |   | 4,934,701    |
| <b>Puerto Rico 2.9%</b>   |   |              |
| <b>Health 2.9%</b>  |   |              |
| Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority, RB, Hospital De La Concepcion, Series A, 6.13%, 11/15/30 | 4,220                                       | 4,329,762    |
| <b>U.S. Virgin Islands 1.0%</b>   |   |              |
| <b>State 1.0%</b>   |   |              |
| Virgin Islands Public Finance Authority, Refunding RB, Series C, 5.00%, 10/01/39  | 1,375                                       | 1,538,103    |
| <b>Total Municipal Bonds 131.4%</b>   |   | 192,992,421  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>   |   |              |
| <b>New Jersey 23.1%</b>   |   |              |
| <b>County/City/Special District/School District 3.8%</b>  |   |              |
| County of Union New Jersey Utilities Authority, Refunding LRB, Resource Recovery Facility, Covanta Union, Inc., Series A, AMT, 5.25%, 12/01/31                      | 4,930                                       | 5,562,075    |
| <b>Education 3.1%</b>   |   |              |
| Rutgers - The State University of New Jersey, RB, Series F, 5.00%, 5/01/39  | 4,003                                       | 4,563,964    |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>   | <b>Par</b>                                  | <b>Value</b> |
| <b>New Jersey (concluded)</b>   | <b>(000)</b>                                |              |
| <b>State 4.4%</b>   |   |              |
| Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28  | \$ 3,300                                    | \$ 4,293,993 |
| New Jersey EDA, Refunding RB, 5.00%, 3/01/29 (f)  | 1,918                                       | 2,153,539    |
|   |   | 6,447,532    |
| <b>Transportation 11.8%</b>   |   |              |
| New Jersey State Turnpike Authority, RB, Series A, 5.00%, 1/01/38 (f)   | 4,100                                       | 4,691,548    |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (f)   | 760   | 850,745      |
| Port Authority of New York & New Jersey, ARB, Consolidated, 163rd Series, AMT, 5.00%, 7/15/39   | 4,089                                       | 4,712,940    |
| Port Authority of New York & New Jersey, RB, Consolidated, 169th Series, AMT, 5.00%, 10/15/41   | 4,500                                       | 5,008,320    |
| Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.25%, 11/01/35   | 1,829                                       | 2,030,522    |
|   |   | 17,294,075   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 23.1%</b>   |   | 33,867,646   |
| <b>Total Long-Term Investments</b>  |   |              |
| (Cost \$204,047,986) 154.5%   |   | 226,860,067  |

| Short-Term Securities  | Shares  |                |
|--|---------|----------------|
| BIF New Jersey Municipal Money Fund, 0.00% (g)(h)  | 820,225 | 820,225        |
| <b>Total Short-Term Securities</b>   |         |                |
| <b>(Cost \$820,225) 0.6%</b>   |         | 820,225        |
| <b>Total Investments (Cost \$204,868,211) 155.1%</b>   |         | 227,680,292    |
| <b>Other Assets Less Liabilities 1.1%</b>  |         | 1,592,683      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (12.3%)</b> |         | (18,047,364)   |
| <b>VRDP Shares, at Liquidation Value (43.9%)</b>   |         | (64,400,000)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |         | \$ 146,825,611 |

#### Notes to Schedule of investments

- (a) Zero-coupon bond.
- (b) Security is collateralized by municipal or U.S. Treasury obligations.
- (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) 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.
- (e) Represent bonds transferred to a TOB. In exchange for which the Fund received cash and residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (f) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreement, which expires from June 15, 2019 to September 1, 2020 is \$5,090,139.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)

(g) During the six months ended January 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<br>at July 31,<br>2014 | Net<br>Activity | Shares Held<br>at January 31,<br>2015 | Income | Realized<br>Gains |
|-------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|-------------------|
| BIF New Jersey Municipal Money Fund | 2,535,160                          | (1,714,935)     | 820,225                               |        | \$ 621            |

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

As of January 31, 2015, financial futures contracts outstanding were as follows:

| Contracts<br>Short | Issue                      | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|--------------------|----------------------------|------------------------|------------|-------------------|----------------------------|
| (120)              | 10-Year U.S. Treasury Note | Chicago Board of Trade | March 2015 | \$ 15,705,000     | \$ (434,559)               |
| (60)               | 5-Year U.S. Treasury Note  | Chicago Board of Trade | March 2015 | 7,280,625         | (125,240)                  |
| <b>Total</b>       |                            |                        |            |                   | \$ (559,799)               |

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.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of January 31, 2015, the following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

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|                              | Level 1    | Level 2        | Level 3 | Total          |
|------------------------------|------------|----------------|---------|----------------|
| <b>Assets:</b>               |            |                |         |                |
| Investments:                 |            |                |         |                |
| Municipal Bonds <sup>1</sup> |            | \$ 226,860,067 |         | \$ 226,860,067 |
| Short-Term Securities        | \$ 820,225 |                |         | 820,225        |
| <b>Total</b>                 | \$ 820,225 | \$ 226,860,067 |         | \$ 227,680,292 |

<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                       | \$ (559,799) |         |         | \$ (559,799) |

<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 January 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 | \$ 217,000 |                 |         | \$ 217,000      |
| <b>Liabilities:</b>                          |            |                 |         |                 |
| TOB trust certificates                       |            | \$ (18,044,269) |         | (18,044,269)    |
| VRDP Shares                                  |            | (64,400,000)    |         | (64,400,000)    |
| <b>Total</b>                                 | \$ 217,000 | \$ (82,444,269) |         | \$ (82,227,269) |

During the six months ended January 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments January 31, 2015 (Unaudited)

## BlackRock MuniYield Pennsylvania Quality Fund (MPA)

|  | (Percentages shown are based on Net Assets) |              |
|--|---|--------------|
|  | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>   |   |              |
| <b>Pennsylvania 116.5%</b>   |   |              |
| <b>Corporate 11.0%</b>   |   |              |
| County of Beaver Pennsylvania IDA, Refunding RB, First Energy (a):   |   |              |
| Nuclear Energy Project, Series B, 3.50%, 12/01/35  | \$ 3,235                                    | \$ 3,399,726 |
| Nuclear Energy Corp. Project, Mandatory Put Bonds, Series A, 3.38%, 1/01/35  | 1,200                                       | 1,212,552    |
| County of Delaware Pennsylvania IDA, Refunding RB, Water Facilities, Aqua Pennsylvania, Inc. Project, Series B, AMT (NPFGC), 5.00%, 11/01/36 | 2,520                                       | 2,592,526    |
| Pennsylvania Economic Development Financing Authority, RB:   |   |              |
| American Water Co. Project, 6.20%, 4/01/39   | 1,300                                       | 1,532,492    |
| Aqua Pennsylvania, Inc. Project, Series A, AMT, 6.75%, 10/01/18  | 1,300                                       | 1,545,557    |
| Aqua Pennsylvania, Inc. Project, Series B, 4.50%, 12/01/42   | 2,630                                       | 2,828,013    |
| Waste Management, Inc. Project, Series A, AMT, 5.10%, 10/01/27   | 1,200                                       | 1,242,168    |
| Pennsylvania Economic Development Financing Authority, Refunding RB, Amtrak Project, Series A, AMT, 5.00%, 11/01/41                          | 5,865                                       | 6,516,425    |
|  |   | 20,869,459   |
| <b>County/City/Special District/School District 37.5%</b>  |   |              |
| Boyetown Area School District, GO, 5.00%, 10/01/43   | 1,850                                       | 2,112,274    |
| Bristol Township School District, GO, 5.00%, 6/01/40   | 775   | 895,962      |
| Chambersburg Area School District, GO:   |   |              |
| 5.25%, 9/01/15 (b)   | 640   | 659,155      |
| 5.25%, 3/01/27   | 1,860                                       | 1,911,262    |
| (NPFGC), 5.25%, 3/01/26  | 2,115                                       | 2,175,341    |
| City of Philadelphia Pennsylvania, GO, Refunding, Series A:  |   |              |
| (AGM), 5.25%, 12/15/32   | 5,000                                       | 5,617,750    |
| (AGC), 5.00%, 8/01/24  | 2,000                                       | 2,275,380    |
| City of Pittsburgh Pennsylvania, GO, Series B, 5.00%, 9/01/26  | 970   | 1,150,837    |
| County of Lycoming Pennsylvania Water & Sewer Authority, RB, (AGM), 5.00%, 11/15/41  | 400   | 439,000      |
| County of York Pennsylvania, GO, Refunding, 5.00%, 3/01/36   | 400   | 462,428      |
| East Stroudsburg Area School District, GO, Refunding, Series A (AGM), 5.00%, 9/01/25   | 3,000                                       | 3,289,320    |
| East Stroudsburg Area School District, GO, Series A:   |   |              |
| 7.75%, 9/01/17 (b)   | 960   | 1,134,682    |
| 7.75%, 9/01/17 (b)   | 985   | 1,165,629    |
| 7.75%, 9/01/27   | 55  | 64,669       |
| Erie County Conventional Center Authority, RB, 5.00%, 1/15/36  | 8,850                                       | 8,881,063    |
| Lower Merion School District, GO, Refunding, Series A, 3.25%, 11/15/27   | 2,035                                       | 2,117,275    |
| Marple Newtown School District, GO, (AGM), 5.00%, 6/01/31  | 3,500                                       | 4,003,685    |
| Northeastern School District York County, GO, Series B (NPFGC), 5.00%, 4/01/32   | 1,585                                       | 1,703,669    |
| Philadelphia Redevelopment Authority, RB, Quality Redevelopment Neighborhood, Series B, AMT (NPFGC), 5.00%, 4/15/27                          | 4,645                                       | 4,682,857    |
| Philadelphia School District, GO, Series E:  |   |              |
| 6.00%, 9/01/18 (b)   | 50  | 59,134       |
| 6.00%, 9/01/38   | 3,250                                       | 3,710,557    |
| Philipsburg-Osceola Pennsylvania Area School District, GO, (AGM), 5.00%, 4/01/41   | 755   | 801,229      |
| Shaler Area School District Pennsylvania, GO, CAB (Syncora), 0.00%, 9/01/30 (c)  | 6,145                                       | 3,746,545    |
|  | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>   |   |              |
| <b>Pennsylvania (continued)</b>  |   |              |
| <b>County/City/Special District/School District (concluded)</b>  |   |              |
| State Public School Building Authority, RB (AGM):  |   |              |
| Community College, Allegheny County Project, 5.00%, 7/15/34  | \$ 1,880                                    | \$ 2,123,968 |
| Corry Area School District, CAB, 0.00%, 12/15/22 (c)   | 1,640                                       | 1,355,099    |
| Corry Area School District, CAB, 0.00%, 12/15/23 (c)   | 1,980                                       | 1,562,220    |
| Corry Area School District, CAB, 0.00%, 12/15/24 (c)   | 1,980                                       | 1,499,058    |
| Corry Area School District, CAB, 0.00%, 12/15/25 (c)   | 1,770                                       | 1,291,587    |
| State Public School Building Authority, Refunding RB:  |   |              |
| Harrisburg School District Project, Series A (AGC), 5.00%, 11/15/33  | 1,065                                       | 1,188,008    |
| School District Philadelphia Project, Series B (AGM), 5.00%, 6/01/26   | 1,500                                       | 1,604,325    |
| Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/43   | 5,120                                       | 6,042,470    |
| Township of Falls Authority Pennsylvania, RB, Water & Sewer Authority, 5.00%, 12/01/37   | 1,070                                       | 1,223,363    |

70,949,801

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| <b>Education 12.8%</b>  |       |            |
|---|-------|------------|
| County of Adams Pennsylvania IDA, Refunding RB, Gettysburg College, 5.00%, 8/15/26  | 100   | 115,643    |
| County of Chester Pennsylvania IDA, Refunding RB, Renaissance Academy Charter, 5.00%, 10/01/34                                    | 135   | 146,463    |
| Pennsylvania Higher Educational Facilities Authority, RB:   |       |            |
| Drexel University, Series A (NPFGC), 5.00%, 5/01/37   | 1,500 | 1,638,885  |
| Shippensburg University Student Services, Student Housing, 5.00%, 10/01/44  | 1,195 | 1,259,470  |
| Pennsylvania Higher Educational Facilities Authority, RB, University of Science Philadelphia (d):                                 |       |            |
| 5.00%, 11/01/21   | 335   | 402,941    |
| 5.00%, 11/01/22   | 575   | 698,746    |
| 5.00%, 11/01/24   | 890   | 1,095,759  |
| 5.00%, 11/01/26   | 1,475 | 1,817,864  |
| 5.00%, 11/01/28   | 845   | 1,021,774  |
| 5.00%, 11/01/30   | 940   | 1,124,071  |
| 5.00%, 11/01/31   | 665   | 793,185    |
| 5.00%, 11/01/33   | 2,060 | 2,438,257  |
| 5.00%, 11/01/36   | 1,245 | 1,459,850  |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB:   |       |            |
| Drexel University, Series A, 5.25%, 5/01/41   | 2,750 | 3,133,873  |
| La Salle University, 5.00%, 5/01/37   | 985   | 1,088,740  |
| La Salle University, 5.00%, 5/01/42   | 1,600 | 1,765,072  |
| State System of Higher Education, Series AL, 5.00%, 6/15/35   | 280   | 321,703    |
| Thomas Jefferson University, 4.00%, 3/01/37   | 375   | 392,471    |
| Widener University, Series A, 5.25%, 7/15/33  | 1,360 | 1,556,479  |
| Widener University, Series A, 5.50%, 7/15/38  | 340   | 390,748    |
| Swarthmore Borough Authority, Refunding RB, Swarthmore College Project, 5.00%, 9/15/38  | 830   | 985,111    |
| Township of East Hempfield IDA, RB, Student Services, Inc., Student Housing Project at Millersville                               |       |            |
| University of Pennsylvania:   |       |            |
| 5.00%, 7/01/35  | 385   | 415,134    |
| 5.00%, 7/01/45  | 200   | 213,434    |
|   |       | 24,275,673 |
| <b>Health 19.4%</b>   |       |            |
| County of Allegheny Pennsylvania Hospital Development Authority, RB, Health Center, UPMC Health, Series B (NPFGC), 6.00%, 7/01/26 | 2,000 | 2,635,560  |
| County of Berks Pennsylvania Municipal Authority, Refunding RB, Reading Hospital & Medical Center, Series A, 5.00%, 11/01/40      | 765   | 865,093    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniYield Pennsylvania Quality Fund (MPA)

|   | (Percentages shown are based on Net Assets) |              |
|---|---|--------------|
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>Pennsylvania (continued)</b>   |   |              |
| <b>Health (concluded)</b>   |   |              |
| County of Centre Pennsylvania Hospital Authority, RB, Mount Nittany Medical Center Project, 7.00%, 11/15/46   | \$ 2,020                                    | \$ 2,495,932 |
| County of Cumberland Pennsylvania Municipal Authority, Refunding RB, Diakon Lutheran, 6.38%, 1/01/39  | 500   | 560,965      |
| County of Lancaster Hospital Authority, Refunding RB (d):   |   |              |
| Health Center Masonic Village Project, 5.00%, 11/01/28  | 475   | 560,590      |
| Health Center Masonic Village Project, 5.00%, 11/01/35  | 325   | 377,007      |
| County of Lehigh Pennsylvania, RB, Lehigh Valley Health Network, Series A (AGM), 5.00%, 7/01/33   | 7,995                                       | 8,651,470    |
| County of Montgomery Pennsylvania Higher Education & Health Authority, Refunding RB, Abington Memorial Hospital Obligated Group, Series A, 5.13%, 6/01/33 | 490   | 542,954      |
| County of Montgomery Pennsylvania IDA, RB, Acts Retirement-Life Community:  |   |              |
| Series A, 4.50%, 11/15/36   | 55  | 55,706       |
| Series A-1, 6.25%, 11/15/29   | 235   | 274,435      |
| County of Montgomery Pennsylvania IDA, Refunding RB, Acts Retirement-Life Communities:  |   |              |
| 5.00%, 11/15/27   | 690   | 765,086      |
| 5.00%, 11/15/28   | 445   | 491,827      |
| Lancaster IDA, Refunding RB:  |   |              |
| 5.38%, 5/01/28  | 420   | 468,665      |
| 5.75%, 5/01/35  | 745   | 843,653      |
| Pennsylvania Higher Educational Facilities Authority, RB, University of Pennsylvania Health System, Series A, 4.00%, 8/15/39                              | 7,600                                       | 7,968,068    |
| Philadelphia Hospitals & Higher Education Facilities Authority, Refunding RB, Presbyterian Medical Center, 6.65%, 12/01/19 (e)                            | 2,055                                       | 2,372,785    |
| Pocono Mountains Industrial Park Authority, RB, St Lukes Hospital Monroe Project, 4.00%, 8/15/45 (d)  | 2,055                                       | 2,066,816    |
| South Fork Municipal Authority, Refunding RB, Conemaugh Valley Memorial Hospital, Series B (AGC), 5.38%, 7/01/20 (b)                                      | 1,840                                       | 2,246,769    |
| Southcentral General Authority, Refunding RB, Wellspan Health Obligation Group, Series A, 5.00%, 6/01/44  | 2,130                                       | 2,483,985    |
|   |   | 36,727,366   |
| <b>Housing 6.3%</b>   |   |              |
| Pennsylvania HFA, RB, S/F Mortgage, Series 114-C:   |   |              |
| 3.65%, 10/01/37   | 1,915                                       | 1,968,639    |
| 3.70%, 10/01/42   | 3,010                                       | 3,066,979    |
| Pennsylvania HFA, Refunding RB, S/F Mortgage:   |   |              |
| Series 092-A, AMT, 4.75%, 4/01/31   | 595   | 596,226      |
| Series 096-A, AMT, 4.70%, 10/01/37  | 2,045                                       | 2,069,908    |
| Series 099-A, AMT, 5.15%, 4/01/38   | 855   | 899,965      |
| Series 110-B, 4.75%, 10/01/39   | 220   | 220,141      |
| Philadelphia Housing Authority, RB, Capital Fund Program, Series A (AGM), 5.50%, 12/01/18   | 3,000                                       | 3,038,490    |
|   |   | 11,860,348   |
| <b>State 5.9%</b>   |   |              |
| Commonwealth of Pennsylvania, GO, 1st Series:   |   |              |
| 5.00%, 11/15/24   | 1,000                                       | 1,199,900    |
| 5.00%, 4/01/26  | 1,140                                       | 1,381,258    |
| 5.00%, 6/01/28  | 2,300                                       | 2,739,024    |
| 5.00%, 6/15/29  | 1,000                                       | 1,214,280    |
| Pennsylvania Economic Development Financing Authority, Refunding RB, Unemployment Compensation, Series B, 5.00%, 7/01/23                                  | 600   | 611,970      |
|   | Par<br>(000)                                | Value        |
| <b>Municipal Bonds</b>  |   |              |
| <b>Pennsylvania (concluded)</b>   |   |              |
| <b>State (concluded)</b>  |   |              |
| Pennsylvania Turnpike Commission, RB, Oil Franchise Tax, Remarketing, Series C (NPFGC), 5.00%, 12/01/32   | \$ 3,600                                    | \$ 4,056,300 |
|   |   | 11,202,732   |
| <b>Transportation 12.7%</b>   |   |              |

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|  |       |                    |
|--|-------|--------------------|
| City of Philadelphia Pennsylvania, ARB, Series A:  |       |                    |
| 5.00%, 6/15/40   | 2,500 | 2,831,350          |
| AMT (AGM), 5.00%, 6/15/37  | 5,595 | 5,968,242          |
| Delaware River Port Authority, RB:   |       |                    |
| 5.00%, 1/01/29   | 475   | 567,730            |
| 5.00%, 1/01/37   | 1,970 | 2,308,249          |
| Series D (AGM), 5.00%, 1/01/40   | 1,560 | 1,772,722          |
| Pennsylvania Turnpike Commission, RB:  |       |                    |
| CAB, Sub-Series A-3, 0.00%, 12/01/42 (c)   | 4,100 | 1,254,477          |
| CAB, Sub-Series A-3 (AGM), 0.00%, 12/01/40 (c)   | 1,100 | 409,651            |
| Sub-Series A, 6.00%, 12/01/41  | 700   | 757,225            |
| Pennsylvania Turnpike Commission, Refunding RB, Sub-Series B (AGM), 5.25%, 6/01/39                               | 3,500 | 3,986,570          |
| Southeastern Pennsylvania Transportation Authority, RB, Capital Grant Receipts:                                  |       |                    |
| 5.00%, 6/01/28   | 1,570 | 1,796,975          |
| 5.00%, 6/01/29   | 2,080 | 2,375,027          |
|  |       | 24,028,218         |
| <b>Utilities 10.9%</b>   |       |                    |
| Allegheny County Sanitary Authority, Refunding RB, Series A (NPFGC), 5.00%, 12/01/30                             |       |                    |
|  | 5,000 | 5,182,150          |
| City of Philadelphia Pennsylvania Gas Works, RB:   |       |                    |
| 1998 General Ordinance, 4th Series (AGM), 5.00%, 8/01/32   | 3,300 | 3,310,857          |
| 9th Series, 5.25%, 8/01/40   | 1,430 | 1,661,517          |
| City of Philadelphia Pennsylvania Water & Wastewater, RB:  |       |                    |
| Series A, 5.25%, 1/01/36   | 700   | 789,572            |
| Series C (AGM), 5.00%, 8/01/40   | 3,000 | 3,436,860          |
| County of Allegheny Pennsylvania Sanitary Authority, RB, Sewer Improvement, 5.25%, 12/01/41                      | 1,215 | 1,446,543          |
| County of Delaware Pennsylvania Regional Water Quality Control Authority, RB, Sewer Improvements, 5.00%, 5/01/33 | 350   | 411,162            |
| Pennsylvania Economic Development Financing Authority, RB, Philadelphia Biosolids Facility, 6.25%, 1/01/32       | 1,420 | 1,582,803          |
| Reading Area Water Authority Pennsylvania, RB, (AGM), 5.00%, 12/01/27  | 2,680 | 2,909,247          |
|  |       | 20,730,711         |
| <b>Total Municipal Bonds in Pennsylvania</b>   |       | <b>220,644,308</b> |
| <b>Guam 0.5%</b>   |       |                    |
| <b>State 0.5%</b>  |       |                    |
| Territory of Guam, RB, Limited Obligation Bonds, Section 30, Series A, 5.63%, 12/01/29                           | 805   | 899,048            |
| <b>Total Municipal Bonds 117.0%</b>  |       | <b>221,543,356</b> |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock MuniYield Pennsylvania Quality Fund (MPA)

|  | (Percentages shown are based on Net Assets) |                |
|--|---|----------------|
|  | Par<br>(000)                                | Value          |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (f)</b>  |   |                |
| <b>Pennsylvania 37.6%</b>  |   |                |
| <b>Education 8.9%</b>  |   |                |
| Pennsylvania Higher Educational Facilities Authority, RB:  |   |                |
| Series AE (NPFGC), 4.75%, 6/15/32  | \$ 8,845                                    | \$ 9,260,532   |
| University of Pennsylvania Health System, Series A, 5.75%, 8/15/41   | 4,270                                       | 5,116,869      |
| University of Pittsburgh, RB, The Commonwealth System of Higher Education, Capital Project,<br>Series B, 5.00%, 9/15/28                          | 2,202                                       | 2,534,291      |
|  |   | 16,911,692     |
| <b>Health 10.0%</b>  |   |                |
| Geisinger Authority Pennsylvania, RB, Health System:   |   |                |
| Series A, 5.13%, 6/01/34   | 2,500                                       | 2,836,225      |
| Series A, 5.25%, 6/01/39   | 3,128                                       | 3,559,849      |
| Series A-1, 5.13%, 6/01/41   | 6,272                                       | 7,135,890      |
| Philadelphia Hospitals & Higher Education Facilities Authority, RB, The Children's Hospital of<br>Philadelphia Project, Series C, 5.00%, 7/01/41 | 4,680                                       | 5,298,649      |
|  |   | 18,830,613     |
| <b>Housing 1.7%</b>  |   |                |
| Pennsylvania HFA, Refunding RB, S/F Mortgage, Series 115A, AMT, 4.20%, 10/01/33  | 3,000                                       | 3,194,190      |
| <b>State 17.0%</b>   |   |                |
| Commonwealth of Pennsylvania, GO, Series 1, 5.00%, 3/15/28   | 5,203                                       | 5,918,262      |
| Pennsylvania Turnpike Commission, RB, Oil Franchise Tax, Senior Series C (NPFGC),<br>5.00%, 12/01/32   | 10,000                                      | 11,267,500     |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (f)</b>  | <b>Par<br/>(000)</b>                        | <b>Value</b>   |
| <b>Pennsylvania (concluded)</b>  |   |                |
| <b>State (concluded)</b>   |   |                |
| State Public School Building Authority, Refunding RB, School District of Philadelphia Project, Series<br>B (AGM), 5.00%, 6/01/26                 | \$ 14,026                                   | \$ 15,001,746  |
|  |   | 32,187,508     |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 37.6%</b>  |   | 71,124,003     |
| <b>Total Long-Term Investments</b>   |   |                |
| <b>(Cost \$268,359,315) 154.6%</b>   |   | 292,667,359    |
| <b>Short-Term Securities</b>   | <b>Shares</b>                               |                |
| BIF Pennsylvania Municipal Money Market Fund, 0.00% (g)(h)   | 12,533,847                                  | 12,533,847     |
| <b>Total Short-Term Securities</b>   |   |                |
| <b>(Cost \$12,533,847) 6.6%</b>  |   | 12,533,847     |
| <b>Total Investments (Cost \$280,893,162) 161.2%</b>   |   | 305,201,206    |
| <b>Liabilities in Excess of Other Assets (6.6%)</b>  |   | (12,495,770)   |
| <b>Liability for TOB Trust Certificates, Including Interest</b>  |   |                |
| <b>Expense and Fees Payable (19.6%)</b>  |   | (37,072,235)   |
| <b>VRDP Shares, at Liquidation Value (35.0%)</b>   |   | (66,300,000)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |   | \$ 189,332,783 |

Notes to Schedule of Investments

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- (a) Variable rate security. Rate shown is as of report date.
- (b) 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.
- (c) Zero-coupon bond.
- (d) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                                | Value         | Unrealized Appreciation |
|---|---------------|-------------------------|
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | \$ 10,852,447 | \$ 157,443              |
| Wells Fargo Securities, LLC                 | 937,597       | 2,990                   |

- (e) Security is collateralized by municipal or U.S. Treasury obligations.
- (f) Represent bonds transferred to a TOB. In exchange for which the Fund received cash and residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (g) During the six months ended January 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 January 31, 2015 | Income |
|---------------------------------------|------------------------------|--------------|---------------------------------|--------|
| BIF Pennsylvania Municipal Money Fund | 1,714,474                    | 10,819,373   | 12,533,847                      |        |

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

As of January 31, 2015, financial futures contracts outstanding were as follows:

| Contracts Short | Issue                      | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------------|----------------------------|------------------------|------------|----------------|-------------------------|
| (155)           | 10-Year U.S. Treasury Note | Chicago Board of Trade | March 2015 | \$ 20,285,625  | \$ (526,217)            |

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.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock MuniYield Pennsylvania Quality Fund (MPA)

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to Note 2 of the Notes to Financial Statements.

As of January 31, 2015, the following tables summarize the Fund's investments and derivative instruments categorized in the disclosure hierarchy:

|                                    | Level 1       | Level 2        | Level 3 | Total          |
|------------------------------------|---------------|----------------|---------|----------------|
| <b>Assets:</b>                     |               |                |         |                |
| Investments:                       |               |                |         |                |
| Long-Term Investments <sup>1</sup> |               | \$ 292,667,359 |         | \$ 292,667,359 |
| Short-Term Securities              | \$ 12,533,847 |                |         | 12,533,847     |
| <b>Total</b>                       | \$ 12,533,847 | \$ 292,667,359 |         | \$ 305,201,206 |

<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   |         | \$ (526,217) |         | \$ (526,217) |
| <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 January 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 | \$ 211,000 |                  |         | \$ 211,000       |
| <b>Liabilities:</b>                          |            |                  |         |                  |
| TOB trust certificates                       |            | \$ (37,066,212)  |         | (37,066,212)     |
| VRDP Shares                                  |            | (66,300,000)     |         | (66,300,000)     |
| <b>Total</b>                                 | \$ 211,000 | \$ (103,366,212) |         | \$ (103,155,212) |

During the six months ended January 31, 2015, there were no transfers between levels.

See Notes to Financial Statements.

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JANUARY 31, 2015

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## Statements of Assets and Liabilities

|  | <b>BlackRock<br/>MuniHoldings<br/>California<br/>Quality<br/>Fund, Inc.<br/>(MUC)</b> | <b>BlackRock<br/>MuniHoldings<br/>New Jersey<br/>Quality<br/>Fund, Inc.<br/>(MUJ)</b> | <b>BlackRock<br/>MuniYield<br/>Investment<br/>Quality<br/>Fund<br/>(MFT)</b> | <b>BlackRock<br/>MuniYield<br/>Michigan<br/>Quality<br/>Fund, Inc.<br/>(MIY)</b> | <b>BlackRock<br/>MuniYield<br/>New Jersey<br/>Quality<br/>Fund, Inc.<br/>(MJI)</b> | <b>BlackRock<br/>MuniYield<br/>Pennsylvania<br/>Quality<br/>Fund<br/>(MPA)</b> |
|--|---|---|--|--|--|--|
| <b>January 31, 2015 (Unaudited)</b>                                      |   |   |  |  |  |  |
| <b>Assets</b>  |   |   |  |  |  |  |
| Investments at value unaffiliated  | \$ 1,025,212,707  | \$ 551,572,126  | \$ 206,692,580   | \$ 461,267,007   | \$ 226,860,067   | \$ 292,667,359   |
| Investments at value affiliated  | 1,420,771   | 1,694,553   | 1,882,660  | 2,435,167  | 820,225  | 12,533,847   |
| Cash pledged for financial futures contracts                             | 678,000   | 511,000   | 265,000  | 375,000  | 217,000  | 211,000  |
| Interest receivable  | 13,666,191  | 4,501,870   | 2,188,149  | 5,109,348  | 1,667,543  | 2,671,874  |
| Investments sold receivable  | 2,170,698   | 4,381,183   | 374,705  | 1,354,698  | 454,884  | 1,269,444  |
| Deferred offering costs  | 15,462  | 322,283   |  | 251,836  | 216,737  | 196,378  |
| TOB trust receivable   | 10,605,000  |   |  |  |  |  |
| Prepaid expenses   | 22,876  | 12,975  | 6,336  | 11,498   | 6,316  | 8,054  |
| <b>Total assets</b>  | <b>1,053,791,705</b>  | <b>562,995,990</b>  | <b>211,409,430</b>   | <b>470,804,554</b>   | <b>230,242,772</b>   | <b>309,557,956</b>   |
| <b>Accrued Liabilities</b>   |   |   |  |  |  |  |
| Investments purchased payable  | 18,089,787  |   | 1,654,909  | 5,493,107  |  | 15,677,742   |
| Income dividends payable Common Shares                                   | 2,767,668   | 1,576,638   | 601,596  | 1,313,921  | 658,239  | 851,328  |
| Investment advisory fees payable   | 475,596   | 251,487   | 88,256   | 194,419  | 96,709   | 123,505  |
| Variation margin payable on financial futures contracts                  | 343,750   | 259,141   | 134,063  | 190,352  | 110,156  | 106,563  |
| Officers and Directors fees payable                                      | 256,635   | 3,651   | 1,333  | 2,691  | 1,454  | 2,065  |
| Interest expense and fees payable  | 24,027  | 6,914   | 4,356  | 3,857  | 3,095  | 6,023  |
| Reorganization costs payable   |   | 97,921  |  |  | 45,606   | 29,076   |
| Other accrued expenses payable   | 103,918   | 80,487  | 51,856   | 53,419   | 57,633   | 62,659   |
| <b>Total accrued liabilities</b>   | <b>22,061,381</b>   | <b>2,276,239</b>  | <b>2,536,369</b>   | <b>7,251,766</b>   | <b>972,892</b>   | <b>16,858,961</b>  |
| <b>Other Liabilities</b>   |   |   |  |  |  |  |
| TOB trust certificates   | 109,286,444   | 34,699,311  | 19,509,342   | 23,487,000   | 18,044,269   | 37,066,212   |
| VRDP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup>  |   | 172,700,000   |  | 144,600,000  | 64,400,000   | 66,300,000   |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup>  | 254,000,000   |   | 56,500,000   |  |  |  |
| <b>Total other liabilities</b>   | <b>363,286,444</b>  | <b>207,399,311</b>  | <b>76,009,342</b>  | <b>168,087,000</b>   | <b>82,444,269</b>  | <b>103,366,212</b>   |
| <b>Total liabilities</b>   | <b>385,347,825</b>  | <b>209,675,550</b>  | <b>78,545,711</b>  | <b>175,338,766</b>   | <b>83,417,161</b>  | <b>120,225,173</b>   |
| <b>Net Assets Applicable to Common Shareholders</b>                      | <b>\$ 668,443,880</b>   | <b>\$ 353,320,440</b>   | <b>\$ 132,863,719</b>  | <b>\$ 295,465,788</b>  | <b>\$ 146,825,611</b>  | <b>\$ 189,332,783</b>  |
| <b>Net Assets Applicable to Common Shareholders Consist of</b>           |   |   |  |  |  |  |
| Paid-in capital <sup>5,6</sup>   | \$ 586,006,297  | \$ 299,214,869  | \$ 118,012,879   | \$ 261,336,487   | \$ 125,356,076   | \$ 170,185,735   |
| Undistributed net investment income                                      | 6,029,108   | 4,338,635   | 1,925,850  | 2,065,845  | 2,169,897  | 1,429,455  |
| Accumulated net realized loss  | (11,340,100)  | (4,677,477)   | (11,411,692)   | (9,955,470)  | (2,952,644)  | (6,064,234)  |
| Net unrealized appreciation/depreciation                                 | 87,748,575  | 54,444,413  | 24,336,682   | 42,018,926   | 22,252,282   | 23,781,827   |
| <b>Net Assets Applicable to Common Shareholders</b>                      | <b>\$ 668,443,880</b>   | <b>\$ 353,320,440</b>   | <b>\$ 132,863,719</b>  | <b>\$ 295,465,788</b>  | <b>\$ 146,825,611</b>  | <b>\$ 189,332,783</b>  |
| Net asset value per Common Share   | \$ 16.30  | \$ 16.58  | \$ 15.68   | \$ 16.19   | \$ 16.51   | \$ 16.46   |
| <sup>1</sup> Investments at cost unaffiliated                            | \$ 935,833,217  | \$ 495,844,589  | \$ 181,657,165   | \$ 418,324,710   | \$ 204,047,986   | \$ 268,359,315   |
| <sup>2</sup> Investments at cost affiliated                              | \$ 1,420,771  | \$ 1,694,553  | \$ 1,882,660   | \$ 2,435,167   | \$ 820,225   | \$ 12,533,847  |
| <sup>3</sup> Preferred Shares outstanding:<br>Par value \$0.05 per share |   |   | 565  |  |  | 663  |

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|  |             |             |           |             |             |            |
|--|-------------|-------------|-----------|-------------|-------------|------------|
| Par value \$0.10 per share   | 2,540       | 1,727       |           | 1,446       | 644         |            |
| <sup>4</sup> Preferred Shares authorized                           | 18,140      | 9,847       | 1,000,000 | 8,046       | 3,584       | 1,000,000  |
| <sup>5</sup> Common Shares outstanding, par value \$0.10 per share | 41,002,483  | 21,305,921  | 8,473,184 | 18,248,909  | 8,895,127   | 11,504,433 |
| <sup>6</sup> Common Shares authorized                              | 199,981,860 | 199,990,153 | unlimited | 199,991,954 | 199,996,416 | unlimited  |

See Notes to Financial Statements.

## Statements of Operations

| Six Months Ended January 31, 2015 (Unaudited)   | BlackRock<br>MuniHoldings<br>California<br>Quality<br>Fund,<br>Inc.<br>(MUC) | BlackRock<br>MuniHoldings<br>New Jersey<br>Quality<br>Fund,<br>Inc.<br>(MUJ) | BlackRock<br>MuniYield<br>Investment<br>Quality<br>Fund<br>(MFT) | BlackRock<br>MuniYield<br>Michigan<br>Quality<br>Fund,<br>Inc.<br>(MIY) | BlackRock<br>MuniYield<br>New Jersey<br>Quality<br>Fund,<br>Inc.<br>(MJI) | BlackRock<br>MuniYield<br>Pennsylvania<br>Quality<br>Fund<br>(MPA) |
|---|--|--|--|---|---|--|
| <b>Investment Income</b>  |  |  |  |   |   |  |
| Interest  | \$ 20,441,538  | \$ 11,649,223  | \$ 4,568,837   | \$ 9,666,927  | \$ 4,844,833  | \$ 6,129,977   |
| Income affiliated   |  |  | 317  | 172   |   |  |
| Total income  | 20,441,538   | 11,649,223   | 4,569,154  | 9,667,099   | 4,844,833   | 6,129,977  |
| <b>Expenses</b>   |  |  |  |   |   |  |
| Investment advisory   | 2,787,331  | 1,527,356  | 518,333  | 1,142,699   | 567,147   | 726,464  |
| Professional  | 59,811   | 49,339   | 28,214   | 41,593  | 31,820  | 31,158   |
| Accounting services   | 63,300   | 40,664   | 18,001   | 33,282  | 19,312  | 23,560   |
| Reorganization costs  |  | 197,921  |  |   | 230,606   | 189,076  |
| Transfer agent  | 20,649   | 15,813   | 11,044   | 15,445  | 11,427  | 14,503   |
| Officer and Directors   | 28,937   | 15,259   | 5,708  | 12,664  | 6,285   | 8,249  |
| Custodian   | 21,910   | 13,622   | 5,322  | 12,107  | 6,048   | 8,459  |
| Registration  | 7,202  | 4,722  | 4,725  | 4,721   | 4,725   | 4,721  |
| Printing  | 6,430  | 4,598  | 3,104  | 4,215   | 3,160   | 3,341  |
| Liquidity fees  |  | 8,867  |  |   | 3,306   |  |
| Remarketing fees on Preferred Shares  |  | 8,707  |  |   | 3,246   |  |
| Miscellaneous   | 45,031   | 45,316   | 33,055   | 42,598  | 34,354  | 33,100   |
| Total expenses excluding interest expense, fees and amortization of offering costs            | 3,040,601  | 1,932,184  | 627,506  | 1,309,324   | 921,436   | 1,042,631  |
| Interest expense, fees and amortization of offering costs <sup>1</sup>                        | 1,676,896  | 922,666  | 381,879  | 789,084   | 365,097   | 451,920  |
| Total expenses  | 4,717,497  | 2,854,850  | 1,009,385  | 2,098,408   | 1,286,533   | 1,494,551  |
| Less fees waived by Manager   | (767)  | (64,411)   | (67)   | (5,724)   | (950)   | (4)  |
| Less reorganization costs reimbursed by Manager   |  | (100,000)  |  |   | (185,000)   | (160,000)  |
| Total expenses after fees waived and reimbursed   | 4,716,730  | 2,690,439  | 1,009,318  | 2,092,684   | 1,100,583   | 1,334,547  |
| Net investment income   | 15,724,808   | 8,958,784  | 3,559,836  | 7,574,415   | 3,744,250   | 4,795,430  |
| <b>Realized and Unrealized Gain (Loss)</b>  |  |  |  |   |   |  |
| Net realized gain (loss) from:  |  |  |  |   |   |  |
| Investments   | 3,650,677  | 908,854  | 530,211  | 1,260,216   | 300,524   | 120,055  |
| Financial futures contracts   | (1,463,700)  | (517,351)  | (178,013)  | (343,939)   | (229,831)   | (438,191)  |
| Capital gain distributions received from affiliated investment companies                      | 136  | 999  |  |   | 621   |  |
|   | 2,187,113  | 392,502  | 352,198  | 916,277   | 71,314  | (318,136)  |
| Net change in unrealized appreciation/depreciation on:  |  |  |  |   |   |  |
| Investments   | 20,359,181   | 19,375,161   | 7,646,891  | 17,698,670  | 8,665,017   | 8,989,815  |
| Financial futures contracts   | (1,729,878)  | (1,370,923)  | (732,568)  | (983,331)   | (596,203)   | (484,974)  |
|   | 18,629,303   | 18,004,238   | 6,914,323  | 16,715,339  | 8,068,814   | 8,504,841  |
| Net realized and unrealized gain  | 20,816,416   | 18,396,740   | 7,266,521  | 17,631,616  | 8,140,128   | 8,186,705  |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b> | <b>\$ 36,541,224</b>   | <b>\$ 27,355,524</b>   | <b>\$ 10,826,357</b>   | <b>\$ 25,206,031</b>  | <b>\$ 11,884,378</b>  | <b>\$ 12,982,135</b>   |

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

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|  | BlackRock<br>MuniHoldings California<br>Quality Fund, Inc. (MUC) |                                | BlackRock MuniHoldings New<br>Jersey Quality Fund, Inc.<br>(MUJ) |                                 |
|--|--|--------------------------------|--|---------------------------------|
|  | Six Months Ended<br>January 31,<br>2015<br>(Unaudited)           | Year Ended<br>July 31,<br>2014 | Six Months Ended<br>January 31,<br>2015<br>(Unaudited)           | Year Ended,<br>July 31,<br>2014 |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>            |  |                                |  |                                 |
| <b>Operations</b>  |  |                                |  |                                 |
| Net investment income  | \$ 15,724,808  | \$ 33,646,813                  | \$ 8,958,784   | \$ 18,404,986                   |
| Net realized gain (loss)   | 2,187,113  | (5,213,873)                    | 392,502  | (3,999,407)                     |
| Net change in unrealized appreciation/depreciation                                     | 18,629,303   | 60,314,952                     | 18,004,238   | 30,881,185                      |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 36,541,224   | 88,747,892                     | 27,355,524   | 45,286,764                      |
| <b>Distributions to Common Shareholders From<sup>1</sup></b>                           |  |                                |  |                                 |
| Net investment income  | (16,934,025)   | (35,180,130)                   | (9,459,829)  | (18,919,661)                    |
| Net realized gain  |  |                                |  | (107,719)                       |
| Decrease in net assets resulting from distributions to Common Shareholders             |  |                                | (9,459,829)  | (19,027,380)                    |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |  |                                |  |                                 |
| Total increase in net assets applicable to Common Shareholders                         | 19,607,199   | 53,567,762                     | 17,895,695   | 26,259,384                      |
| Beginning of period  | 648,836,681  | 595,268,919                    | 335,424,745  | 309,165,361                     |
| End of period  | \$ 668,443,880   | \$ 648,836,681                 | \$ 353,320,440   | \$ 335,424,745                  |
| Undistributed net investment income, end of period                                     | \$ 6,029,108   | \$ 7,238,325                   | \$ 4,338,635   | \$ 4,839,680                    |

<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

|  | BlackRock MuniYield<br>Investment<br>Quality Fund (MFT) |                                 | BlackRock MuniYield<br>Michigan<br>Quality Fund, Inc. (MIY) |                                |
|--|---|---------------------------------|---|--------------------------------|
|  | Six Months Ended<br>January 31,<br>2015<br>(Unaudited)  | Year Ended,<br>July 31,<br>2014 | Six Months Ended<br>January 31,<br>2015<br>(Unaudited)      | Year Ended<br>July 31,<br>2014 |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>            |   |                                 |   |                                |
| <b>Operations</b>  |   |                                 |   |                                |
| Net investment income  | \$ 3,559,836  | \$ 7,185,349                    | \$ 7,574,415  | \$ 15,640,397                  |
| Net realized gain (loss)   | 352,198   | (4,394,548)                     | 916,277   | (6,246,638)                    |
| Net change in unrealized appreciation/depreciation                                     | 6,914,323   | 14,787,871                      | 16,715,339  | 26,779,661                     |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 10,826,357  | 17,578,672                      | 25,206,031  | 36,173,420                     |
| <b>Distributions to Shareholders From<sup>1</sup></b>                                  |   |                                 |   |                                |
| Net investment income  | (3,609,576)   | (7,219,153)                     | (7,883,529)   | (16,371,077)                   |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |   |                                 |   |                                |
| Total increase in net assets applicable to Common Shareholders                         | 7,216,781   | 10,359,519                      | 17,322,502  | 19,802,343                     |
| Beginning of period  | 125,646,938   | 115,287,419                     | 278,143,286   | 258,340,943                    |
| End of period  | \$ 132,863,719  | \$ 125,646,938                  | \$ 295,465,788  | \$ 278,143,286                 |
| Undistributed net investment income, end of period                                     | \$ 1,925,850  | \$ 1,975,590                    | \$ 2,065,845  | \$ 2,374,959                   |

<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

|  | BlackRock MuniYield New<br>Jersey<br>Quality Fund, Inc. (MJJ) |                                | BlackRock MuniYield Pennsylvania<br>Quality Fund (MPA) |                                |
|--|---|--------------------------------|--|--------------------------------|
|  | Six Months Ended<br>January 31,<br>2015<br>(Unaudited)        | Year Ended<br>July 31,<br>2014 | Six Months Ended<br>January 31,<br>2015<br>(Unaudited) | Year Ended<br>July 31,<br>2014 |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>            |   |                                |  |                                |
| <b>Operations</b>  |   |                                |  |                                |
| Net investment income  | \$ 3,744,250  | \$ 7,687,982                   | \$ 4,795,430   | \$ 9,991,517                   |
| Net realized gain (loss)   | 71,314  | (1,914,017)                    | (318,136)  | (2,283,420)                    |
| Net change in unrealized appreciation/depreciation                                     | 8,068,814   | 13,971,862                     | 8,504,841  | 16,109,329                     |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 11,884,378  | 19,745,827                     | 12,982,135   | 23,817,426                     |
| <b>Distributions to Common Shareholders From<sup>1</sup></b>                           |   |                                |  |                                |
| Net investment income  | (3,949,436)   | (7,898,872)                    | (5,107,968)  | (10,215,936)                   |
| Net realized gain  |   | (38,170)                       |  |                                |
| Decrease in net assets resulting from distributions to Common Shareholders             | (3,949,436)   | (7,937,042)                    |  |                                |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |   |                                |  |                                |
| Total increase in net assets applicable to Common Shareholders                         | 7,934,942   | 11,808,785                     | 7,874,167  | 13,601,490                     |
| Beginning of period  | 138,890,669   | 127,081,884                    | 181,458,616  | 167,857,126                    |
| End of period  | \$ 146,825,611  | \$ 138,890,669                 | \$ 189,332,783   | \$ 181,458,616                 |
| Undistributed net investment income, end of period                                     | \$ 2,169,897  | \$ 2,375,083                   | \$ 1,429,455   | \$ 1,741,993                   |

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

See Notes to Financial Statements.

## Statements of Cash Flows

| Six Months Ended January 31, 2015 (Unaudited)   | BlackRock<br>MuniHoldings<br>California<br>Quality<br>Fund, Inc.<br>(MUC) | BlackRock<br>MuniHoldings<br>New Jersey<br>Quality<br>Fund, Inc.<br>(MUJ) | BlackRock<br>MuniYield<br>Investment<br>Quality<br>Fund<br>(MFT) | BlackRock<br>MuniYield<br>Michigan<br>Quality<br>Fund, Inc.<br>(MIY) | BlackRock<br>MuniYield<br>New Jersey<br>Quality<br>Fund, Inc.<br>(MJI) | BlackRock<br>MuniYield<br>Pennsylvania<br>Quality<br>Fund<br>(MPA) |
|---|---|---|--|--|--|--|
| <b>Cash Provided by Operating Activities</b>  |   |   |  |  |  |  |
| Net increase in net assets resulting from operations  | \$ 36,541,224   | \$ 27,355,524   | \$ 10,826,357  | \$ 25,206,031  | \$ 11,884,378  | \$ 12,982,135  |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |   |   |  |  |  |  |
| (Increase) decrease in interest receivable  | (92,199)  | (110,244)   | (4,351)  | 28,543   | (71,473)   | 98,383   |
| Decrease in variation margin receivable on financial futures contracts  | 19,264  | 9,608   | 3,703  | 6,562  | 3,984  | 6,656  |
| Decrease in prepaid expenses  | 12,016  | 14,344  | 18,789   | 15,602   | 18,525   | 17,751   |
| Increase in cash pledged for financial futures contracts  | (116,000)   | (231,000)   | (157,000)  | (165,000)  | (59,000)   | (36,000)   |
| Increase in investment advisory fees payable  | 11,476  | 11,671  | 2,516  | 5,382  | 3,164  | 2,789  |
| Increase (decrease) in interest expense and fees payable  | (5,959)   | 532   | (852)  | (1,306)  | (64)   | (679)  |
| Decrease in other accrued expenses payable  | (43,544)  | (16,282)  | (21,914)   | (32,050)   | (18,266)   | (15,533)   |
| Increase in variation margin payable on financial futures contracts   | 343,750   | 259,141   | 134,063  | 190,352  | 110,156  | 106,563  |
| Increase (decrease) in Officers and Directors fees payable  | 12,134  | (745)   | (319)  | (953)  | (354)  | (361)  |
| Net realized gain on investments  | (3,650,677)   | (908,854)   | (530,211)  | (1,260,216)  | (300,524)  | (120,055)  |
| Net unrealized gain on investments  | (20,359,181)  | (19,375,161)  | (7,646,891)  | (17,698,670)   | (8,665,017)  | (8,989,815)  |
| Amortization of premium and accretion of discount on investments  | 2,786,810   | (77,600)  | 348,159  | 638,441  | (187,232)  | 180,895  |
| Proceeds from sales of long-term investments  | 115,396,228   | 35,044,538  | 8,767,035  | 39,375,425   | 12,404,443   | 19,458,663   |
| Purchases of long-term investments  | (125,010,757)   | (35,635,306)  | (8,057,196)  | (39,883,918)   | (12,937,969)   | (7,853,123)  |
| Net proceeds from sales (purchases) of short-term securities  | 786,549   | 3,015,597   | 682,613  | 1,454,473  | 1,714,935  | (10,819,373)   |
| Net cash provided by operating activities   | 6,631,134   | 9,355,763   | 4,364,501  | 7,878,698  | 3,899,686  | 5,018,896  |
| <b>Cash Used for Financing Activities</b>   |   |   |  |  |  |  |
| Cash payments for reorganization costs  |   | 97,921  |  |  | 45,606   | 29,076   |
| Proceeds from TOB trust certificates  | 19,295,000  |   |  |  |  |  |
| Repayments of TOB trust certificates  | (8,885,000)   |   | (774,415)  |  |  |  |
| Cash dividends paid to Common Shareholders  | (17,098,035)  | (9,459,829)   | (3,609,576)  | (7,883,529)  | (3,949,436)  | (5,107,968)  |
| Amortization of deferred offering costs   | 56,901  | 6,145   | 19,490   | 4,831  | 4,144  | 3,758  |
| Net cash used for financing activities  | (6,631,134)   | (9,355,763)   | (4,364,501)  | (7,878,698)  | (3,899,686)  | (5,075,134)  |
| <b>Cash</b>   |   |   |  |  |  |  |
| Net increase (decrease) in cash   |   |   |  |  |  | (56,238)   |
| Cash at beginning of period   |   |   |  |  |  | 56,238   |
| Cash at end of period   |   |   |  |  |  |  |
| <b>Supplemental Disclosure of Cash Flow Information</b>   |   |   |  |  |  |  |
| Cash paid during the period for interest and fees   | \$ 1,625,954  | \$ 915,989  | \$ 363,241   | \$ 785,559   | \$ 361,017   | \$ 448,841   |

See Notes to Financial Statements.

## Financial Highlights

BlackRock MuniHoldings California Quality Fund, Inc.  
(MUC)

|   | Six Months Ended<br>January 31,<br>2015 |            | Year Ended July 31, |                      |                    |                    |
|---|---|------------|---------------------|----------------------|--------------------|--------------------|
|   | (Unaudited)                             | 2014       | 2013                | 2012                 | 2011               | 2010               |
| <b>Per Share Operating Performance</b>  |   |            |                     |                      |                    |                    |
| Net asset value, beginning of period  | \$ 15.82                                | \$ 14.52   | \$ 16.41            | \$ 14.27             | \$ 14.55           | \$ 13.21           |
| Net investment income <sup>1</sup>  | 0.38                                    | 0.82       | 0.86                | 0.95                 | 0.97               | 0.92               |
| Net realized and unrealized gain (loss)   | 0.51                                    | 1.34       | (1.82)              | 2.13                 | (0.33)             | 1.24               |
| Distributions to AMPS Shareholders from net investment income   |   |            |                     | (0.01)               | (0.02)             | (0.03)             |
| Net increase (decrease) from investment operations  | 0.89                                    | 2.16       | (0.96)              | 3.07                 | 0.62               | 2.13               |
| Distributions to Common Shareholders from net investment income <sup>2</sup>  | (0.41)                                  | (0.86)     | (0.93)              | (0.93)               | (0.90)             | (0.79)             |
| Net asset value, end of period  | \$ 16.30                                | \$ 15.82   | \$ 14.52            | \$ 16.41             | \$ 14.27           | \$ 14.55           |
| Market price, end of period   | \$ 15.05                                | \$ 14.04   | \$ 13.31            | \$ 16.36             | \$ 13.15           | \$ 14.04           |
| <b>Total Return Applicable to Common Shareholders<sup>3</sup></b>   |   |            |                     |                      |                    |                    |
| Based on net asset value  | 6.00% <sup>4</sup>                      | 15.94%     | (6.16)%             | 22.26%               | 4.88%              | 16.96%             |
| Based on market price   | 10.28% <sup>4</sup>                     | 12.25%     | (13.71)%            | 32.27%               | 0.16%              | 22.40%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |   |            |                     |                      |                    |                    |
| Total expenses  | 1.43% <sup>5</sup>                      | 1.57%      | 1.64%               | 1.48% <sup>6</sup>   | 1.38% <sup>6</sup> | 1.23% <sup>6</sup> |
| Total expenses after fees waived  | 1.43% <sup>5</sup>                      | 1.51%      | 1.56%               | 1.39% <sup>6</sup>   | 1.25% <sup>6</sup> | 1.12% <sup>6</sup> |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 0.92% <sup>5</sup>                      | 0.93%      | 0.92%               | 1.01% <sup>6,8</sup> | 1.02% <sup>6</sup> | 0.98% <sup>6</sup> |
| Net investment income   | 4.75% <sup>5</sup>                      | 5.44%      | 5.27%               | 6.14% <sup>6</sup>   | 6.93% <sup>6</sup> | 6.52% <sup>6</sup> |
| Distributions to AMPS Shareholders  |   |            |                     | 0.06%                | 0.16%              | 0.18%              |
| Net investment income to Common Shareholders  | 4.75% <sup>5</sup>                      | 5.44%      | 5.27%               | 6.08%                | 6.77%              | 6.34%              |
| <b>Supplemental Data</b>  |   |            |                     |                      |                    |                    |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 668,444                              | \$ 648,837 | \$ 595,269          | \$ 671,077           | \$ 583,400         | \$ 594,734         |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |   |            |                     |                      | \$ 254,000         | \$ 254,000         |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period (000)                                       |   |            |                     |                      | \$ 82,421          | \$ 83,538          |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 254,000                              | \$ 254,000 | \$ 254,000          | \$ 254,000           |                    |                    |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period  | \$ 363,167                              | \$ 355,448 | \$ 334,358          | \$ 364,204           |                    |                    |

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|   |    |         |    |        |    |         |    |         |    |         |    |         |
|---|----|---------|----|--------|----|---------|----|---------|----|---------|----|---------|
| Borrowings outstanding, end of period (000)             | \$ | 109,286 | \$ | 88,271 | \$ | 172,316 | \$ | 185,775 | \$ | 179,443 | \$ | 181,855 |
| Asset coverage, end of period per \$1,000 of borrowings | \$ | 7,116   | \$ | 8,350  | \$ | 4,455   | \$ | 4,612   | \$ | 4,251   | \$ | 4,270   |
| Portfolio turnover rate                                 |    | 10%     |    | 25%    |    | 34%     |    | 46%     |    | 24%     |    | 25%     |

<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> Aggregate total return.

<sup>5</sup> Annualized.

<sup>6</sup> Does not reflect the effect of distributions to AMPS Shareholders.

<sup>7</sup> Interest expense, fees and amortization of offering costs related to TOBs and/or VMTP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

<sup>8</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.

## Financial Highlights

BlackRock MuniHoldings New Jersey Quality Fund, Inc.  
(MUJ)

|   | Six Months Ended<br>January 31,<br>2015 |                    | Year Ended July 31, |                    |                    |                     |
|---|---|--------------------|---------------------|--------------------|--------------------|---------------------|
|   | (Unaudited)                             | 2014               | 2013                | 2012               | 2011               | 2010                |
| <b>Per Share Operating Performance</b>  |   |                    |                     |                    |                    |                     |
| Net asset value, beginning of period  | \$ 15.74                                | \$ 14.51           | \$ 16.54            | \$ 14.73           | \$ 15.19           | \$ 14.40            |
| Net investment income <sup>1</sup>  | 0.42                                    | 0.86               | 0.86                | 0.83               | 0.93               | 1.00                |
| Net realized and unrealized gain (loss)   | 0.86                                    | 1.27               | (2.00)              | 1.87               | (0.47)             | 0.67                |
| Distributions to AMPS Shareholders from:  |   |                    |                     |                    |                    |                     |
| Net investment income   |   |                    |                     |                    | (0.03)             | (0.03)              |
| Net realized gain   |   |                    |                     |                    |                    | (0.00) <sup>2</sup> |
| Net increase (decrease) from investment operations  | 1.28                                    | 2.13               | (1.14)              | 2.70               | 0.43               | 1.64                |
| Distributions to Common Shareholders from: <sup>3</sup>   |   |                    |                     |                    |                    |                     |
| Net investment income   | (0.44)                                  | (0.89)             | (0.89)              | (0.89)             | (0.89)             | (0.84)              |
| Net realized gain   |   | (0.01)             |                     |                    |                    | (0.01)              |
| Total distributions to Common Shareholders  | (0.44)                                  | (0.90)             | (0.89)              | (0.89)             | (0.89)             | (0.85)              |
| Net asset value, end of period  | \$ 16.58                                | \$ 15.74           | \$ 14.51            | \$ 16.54           | \$ 14.73           | \$ 15.19            |
| Market price, end of period   | \$ 15.07                                | \$ 14.11           | \$ 13.30            | \$ 16.05           | \$ 13.74           | \$ 15.05            |
| <b>Total Return Applicable to Common Shareholders<sup>4</sup></b>   |   |                    |                     |                    |                    |                     |
| Based on net asset value  | 8.60% <sup>5</sup>                      | 15.79%             | (7.19)%             | 18.96%             | 3.28%              | 11.95%              |
| Based on market price   | 10.11% <sup>5</sup>                     | 13.24%             | (12.33)%            | 23.76%             | (2.77)%            | 19.37%              |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |   |                    |                     |                    |                    |                     |
| Total expenses  | 1.65% <sup>6,10</sup>                   | 1.64%              | 1.61%               | 1.81%              | 1.21% <sup>7</sup> | 1.13% <sup>7</sup>  |
| Total expenses after fees waived and/or reimbursed  | 1.55% <sup>6,10</sup>                   | 1.57%              | 1.58%               | 1.78%              | 1.17% <sup>7</sup> | 1.08% <sup>7</sup>  |
| Total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs <sup>8</sup> | 1.02% <sup>6,9,10</sup>                 | 1.25% <sup>9</sup> | 1.33% <sup>9</sup>  | 1.43% <sup>9</sup> | 1.11% <sup>7</sup> | 1.05% <sup>7</sup>  |
| Net investment income   | 5.17% <sup>6</sup>                      | 5.78%              | 5.28%               | 5.28%              | 6.36% <sup>7</sup> | 6.71% <sup>7</sup>  |
| Distributions to AMPS Shareholders  |   |                    |                     |                    | 0.21%              | 0.22%               |
| Net investment income to Common Shareholders  | 5.17% <sup>6</sup>                      | 5.78%              | 5.28%               | 5.28%              | 6.15%              | 6.49%               |
| <b>Supplemental Data</b>  |   |                    |                     |                    |                    |                     |
| Net assets applicable Common Shareholders, end of period (000)  | \$ 353,320                              | \$ 335,425         | \$ 309,165          | \$ 351,837         | \$ 313,084         | \$ 322,681          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |   |                    |                     |                    |                    | \$ 172,700          |
|   |   |                    |                     |                    |                    | \$ 71,713           |

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Asset coverage per AMPS at \$25,000 liquidation preference, end of period

|  |    |         |            |            |            |            |            |
|--|----|---------|------------|------------|------------|------------|------------|
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ | 172,700 | \$ 172,700 | \$ 172,700 | \$ 172,700 | \$ 172,700 | \$ 172,700 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$ | 304,586 | \$ 294,224 | \$ 279,019 | \$ 303,727 | \$ 281,288 |            |
| Borrowings outstanding, end of period (000)                                  | \$ | 34,699  | \$ 34,699  | \$ 38,231  | \$ 29,719  | \$ 13,263  | \$ 13,263  |
| Asset coverage, end of period per \$1,000 of borrowings                      | \$ | 11,182  | \$ 10,667  | \$ 9,087   | \$ 12,839  | \$ 24,606  | \$ 25,330  |
| Portfolio turnover rate  |    | 7%      | 16%        | 10%        | 17%        | 12%        | 13%        |

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

<sup>2</sup> Amount is greater than \$(0.005) per share.

<sup>3</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

<sup>4</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>5</sup> Aggregate total return.

<sup>6</sup> Annualized.

<sup>7</sup> Does not reflect the effect of distributions to AMPS Shareholders.

<sup>8</sup> Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

<sup>9</sup> For the six months ended January 31, 2015 and the years ended July 31, 2014, July 31, 2013 and July 31, 2012, the total expense ratio after fees waived and/or reimbursed and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.01%, 0.95%, 0.93% and 1.01%, respectively.

<sup>10</sup> Includes reorganization costs associated with the Fund's merger. Without these costs, total expenses and total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs would have been 1.53% and 0.96%, respectively.

See Notes to Financial Statements.



## Financial Highlights

## BlackRock MuniYield Investment Quality Fund (MFT)

|   | Six Months Ended                   |            | Year Ended July 31, |                      |                    |                    |
|---|------------------------------------|------------|---------------------|----------------------|--------------------|--------------------|
|   | January 31,<br>2015<br>(Unaudited) | 2014       | 2013                | 2012                 | 2011               | 2010               |
| <b>Per Share Operating Performance</b>  |                                    |            |                     |                      |                    |                    |
| Net asset value, beginning of period  | \$ 14.83                           | \$ 13.61   | \$ 15.73            | \$ 13.40             | \$ 13.87           | \$ 12.83           |
| Net investment income <sup>1</sup>  | 0.42                               | 0.85       | 0.84                | 0.87                 | 0.91               | 0.92               |
| Net realized and unrealized gain (loss)   | 0.86                               | 1.22       | (2.11)              | 2.32                 | (0.49)             | 0.98               |
| Distributions to AMPS Shareholders from net investment income   |                                    |            |                     | (0.01)               | (0.04)             | (0.04)             |
| Net increase (decrease) from investment operations  | 1.28                               | 2.07       | (1.27)              | 3.18                 | 0.38               | 1.86               |
| Distributions to Common Shareholders from net investment income <sup>2</sup>  | (0.43)                             | (0.85)     | (0.85)              | (0.85)               | (0.85)             | (0.82)             |
| Net asset value, end of period  | \$ 15.68                           | \$ 14.83   | \$ 13.61            | \$ 15.73             | \$ 13.40           | \$ 13.87           |
| Market price, end of period   | \$ 14.38                           | \$ 13.26   | \$ 12.20            | \$ 15.47             | \$ 12.39           | \$ 14.28           |
| <b>Total Return Applicable to Common Shareholders<sup>3</sup></b>   |                                    |            |                     |                      |                    |                    |
| Based on net asset value  | 9.03% <sup>4</sup>                 | 16.40%     | (8.41)%             | 24.51%               | 3.20%              | 14.99%             |
| Based on market price   | 11.83% <sup>4</sup>                | 16.10%     | (16.52)%            | 32.43%               | (7.32)%            | 28.72%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |                                    |            |                     |                      |                    |                    |
| Total expenses  | 1.55% <sup>5</sup>                 | 1.67%      | 1.72%               | 1.58% <sup>6</sup>   | 1.23% <sup>6</sup> | 1.19% <sup>6</sup> |
| Total expenses after fees waived  | 1.55% <sup>5</sup>                 | 1.67%      | 1.72%               | 1.58% <sup>6</sup>   | 1.23% <sup>6</sup> | 1.19% <sup>6</sup> |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 0.96% <sup>5</sup>                 | 1.00%      | 1.00%               | 1.08% <sup>6,8</sup> | 1.11% <sup>6</sup> | 1.09% <sup>6</sup> |
| Net investment income   | 5.47% <sup>5</sup>                 | 6.04%      | 5.36%               | 5.94% <sup>6</sup>   | 6.91% <sup>6</sup> | 6.80% <sup>6</sup> |
| Distributions to AMPS Shareholders  |                                    |            |                     | 0.08%                | 0.28%              | 0.29%              |
| Net investment income to Common Shareholders  | 5.47% <sup>5</sup>                 | 6.04%      | 5.36%               | 5.86%                | 6.63%              | 6.51%              |
| <b>Supplemental Data</b>  |                                    |            |                     |                      |                    |                    |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 132,864                         | \$ 125,647 | \$ 115,287          | \$ 133,160           | \$ 113,423         | \$ 117,341         |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |                                    |            |                     |                      | \$ 56,525          | \$ 56,525          |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period (000)                                       |                                    |            |                     |                      | \$ 75,165          | \$ 76,900          |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 56,500                          | \$ 56,500  | \$ 56,500           | \$ 56,500            |                    |                    |
|   | \$ 335,157                         | \$ 322,384 | \$ 304,049          | \$ 335,681           |                    |                    |



## Financial Highlights

BlackRock MuniYield Michigan Quality Fund, Inc.  
(MIY)

|   | Six Months Ended<br>January 31,<br>2015 |            | Year Ended July 31, |                    |                    |                    |
|---|---|------------|---------------------|--------------------|--------------------|--------------------|
|   | (Unaudited)                             | 2014       | 2013                | 2012               | 2011               | 2010               |
| <b>Per Share Operating Performance</b>  |   |            |                     |                    |                    |                    |
| Net asset value, beginning of period  | \$ 15.24                                | \$ 14.16   | \$ 16.18            | \$ 14.63           | \$ 14.92           | \$ 13.93           |
| Net investment income <sup>1</sup>  | 0.42                                    | 0.86       | 0.90                | 0.87               | 0.93               | 0.98               |
| Net realized and unrealized gain (loss)   | 0.96                                    | 1.12       | (2.00)              | 1.61               | (0.26)             | 0.94               |
| Distributions to AMPS Shareholders from net investment income   |   |            |                     |                    | (0.04)             | (0.05)             |
| Net increase (decrease) from investment operations  | 1.38                                    | 1.98       | (1.10)              | 2.48               | 0.63               | 1.87               |
| Distributions to Common Shareholders from net investment income <sup>2</sup>  | (0.43)                                  | (0.90)     | (0.92)              | (0.93)             | (0.92)             | (0.88)             |
| Net asset value, end of period  | \$ 16.19                                | \$ 15.24   | \$ 14.16            | \$ 16.18           | \$ 14.63           | \$ 14.92           |
| Market price, end of period   | \$ 14.51                                | \$ 13.47   | \$ 12.57            | \$ 16.05           | \$ 13.39           | \$ 14.55           |
| <b>Total Return Applicable to Common Shareholders<sup>3</sup></b>   |   |            |                     |                    |                    |                    |
| Based on net asset value  | 9.58% <sup>4</sup>                      | 15.24%     | (7.09)%             | 17.60%             | 4.78%              | 14.31%             |
| Based on market price   | 11.12% <sup>4</sup>                     | 14.74%     | (16.86)%            | 27.46%             | (1.67)%            | 26.76%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |   |            |                     |                    |                    |                    |
| Total expenses  | 1.46% <sup>5</sup>                      | 1.54%      | 1.50%               | 1.72%              | 1.37% <sup>6</sup> | 1.07% <sup>6</sup> |
| Total expenses after fees waived  | 1.46% <sup>5</sup>                      | 1.54%      | 1.50%               | 1.72%              | 1.36% <sup>6</sup> | 1.07% <sup>6</sup> |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 0.91% <sup>5</sup>                      | 0.93%      | 0.89%               | 1.38% <sup>8</sup> | 1.23% <sup>6</sup> | 1.03% <sup>6</sup> |
| Net investment income   | 5.27% <sup>5</sup>                      | 5.94%      | 5.62%               | 5.65%              | 6.48% <sup>6</sup> | 6.72% <sup>6</sup> |
| Distributions to AMPS Shareholders  |   |            |                     |                    | 0.25%              | 0.31%              |
| Net investment income to Common Shareholders  | 5.27% <sup>5</sup>                      | 5.94%      | 5.62%               | 5.65%              | 6.23%              | 6.41%              |
| <b>Supplemental Data</b>  |   |            |                     |                    |                    |                    |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 295,466                              | \$ 278,143 | \$ 258,341          | \$ 294,804         | \$ 266,326         | \$ 271,609         |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |   |            |                     |                    |                    | \$ 144,650         |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period   |   |            |                     |                    |                    | \$ 71,945          |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 144,600                              | \$ 144,600 | \$ 144,600          | \$ 144,600         | \$ 144,600         |                    |
|   | \$ 304,333                              | \$ 292,354 | \$ 278,659          | \$ 303,876         | \$ 284,181         |                    |

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Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period

|   |    |        |    |        |    |        |    |        |    |        |    |        |
|---|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|
| Borrowings outstanding, end of period (000)             | \$ | 23,487 | \$ | 23,487 | \$ | 34,876 | \$ | 29,568 | \$ | 16,190 | \$ | 16,190 |
| Asset coverage, end of period per \$1,000 of borrowings | \$ | 13,580 | \$ | 12,842 | \$ | 8,407  | \$ | 10,970 | \$ | 17,450 | \$ | 17,776 |
| Portfolio turnover rate                                 |    | 9%     |    | 22%    |    | 17%    |    | 19%    |    | 16%    |    | 15%    |

<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> Aggregate total return.

<sup>5</sup> Annualized.

<sup>6</sup> Does not reflect the effect of distributions to AMPS Shareholders.

<sup>7</sup> Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

<sup>8</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 0.98%.

See Notes to Financial Statements.

## Financial Highlights

BlackRock MuniYield New Jersey Quality Fund, Inc.  
(MJI)

|   | Six Months Ended<br>January 31, |                     | Year Ended July 31, |                      |                    |                    |
|---|---------------------------------|---------------------|---------------------|----------------------|--------------------|--------------------|
|   | 2015<br>(Unaudited)             | 2014                | 2013                | 2012                 | 2011               | 2010               |
| <b>Per Share Operating Performance</b>  |                                 |                     |                     |                      |                    |                    |
| Net asset value, beginning of period  | \$ 15.61                        | \$ 14.29            | \$ 16.35            | \$ 14.53             | \$ 15.00           | \$ 14.07           |
| Net investment income <sup>1</sup>  | 0.42                            | 0.86                | 0.86                | 0.82                 | 0.91               | 0.98               |
| Net realized and unrealized gain (loss)   | 0.92                            | 1.35                | (2.01)              | 1.89                 | (0.48)             | 0.94               |
| Distributions to VRDP Shareholders from net realized gain   |                                 |                     | (0.00) <sup>2</sup> |                      |                    |                    |
| Distributions to AMPS shareholders from:  |                                 |                     |                     |                      |                    |                    |
| Net investment income   |                                 |                     |                     |                      | (0.04)             | (0.04)             |
| Net realized gain   |                                 |                     |                     |                      |                    | (0.01)             |
| Net increase (decrease) from investment operations  | 1.34                            | 2.21                | (1.15)              | 2.71                 | 0.39               | 1.87               |
| Distributions to Common Shareholders from: <sup>3</sup>   |                                 |                     |                     |                      |                    |                    |
| Net investment income   | (0.44)                          | (0.89)              | (0.88)              | (0.89)               | (0.86)             | (0.84)             |
| Net realized gain   |                                 | (0.00) <sup>2</sup> | (0.03)              |                      |                    | (0.10)             |
| Total distributions to Common Shareholders  | (0.44)                          | (0.89)              | (0.91)              | (0.89)               | (0.86)             | (0.94)             |
| Net asset value, end of period  | \$ 16.51                        | \$ 15.61            | \$ 14.29            | \$ 16.35             | \$ 14.53           | \$ 15.00           |
| Market price, end of period   | \$ 14.91                        | \$ 14.15            | \$ 13.27            | \$ 16.31             | \$ 13.16           | \$ 14.92           |
| <b>Total Return Applicable to Common Shareholders<sup>4</sup></b>   |                                 |                     |                     |                      |                    |                    |
| Based on net asset value  | 9.08% <sup>5</sup>              | 16.64%              | (7.41)%             | 19.32%               | 3.10%              | 13.90%             |
| Based on market price   | 8.67% <sup>5</sup>              | 13.85%              | (13.81)%            | 31.42%               | (6.12)%            | 24.34%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |                                 |                     |                     |                      |                    |                    |
| Total expenses  | 1.79% <sup>6,10</sup>           | 1.58%               | 1.54%               | 1.71% <sup>7</sup>   | 1.13% <sup>7</sup> | 1.06% <sup>7</sup> |
| Total expenses after fees waived and/or reimbursed  | 1.53% <sup>6,10</sup>           | 1.58%               | 1.53%               | 1.70% <sup>7</sup>   | 1.12% <sup>7</sup> | 1.05% <sup>7</sup> |
| Total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs <sup>8</sup> | 1.02% <sup>6,9,10</sup>         | 1.25% <sup>9</sup>  | 1.29% <sup>9</sup>  | 1.38% <sup>7,9</sup> | 1.08% <sup>7</sup> | 1.02% <sup>7</sup> |
| Net investment income   | 5.21% <sup>6</sup>              | 5.86%               | 5.34%               | 5.31% <sup>7</sup>   | 6.32% <sup>7</sup> | 6.64% <sup>7</sup> |
| Distributions to AMPS Shareholders  |                                 |                     |                     |                      | 0.31%              | 0.29%              |
| Net investment income to Common Shareholders  | 5.21% <sup>6</sup>              | 5.86%               | 5.34%               | 5.31%                | 6.01%              | 6.35%              |
| <b>Supplemental Data</b>  |                                 |                     |                     |                      |                    |                    |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 146,826                      | \$ 138,891          | \$ 127,082          | \$ 144,942           | \$ 128,481         | \$ 132,281         |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |                                 |                     |                     |                      |                    | \$ 64,475          |

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|  |    |         |            |            |            |            |           |
|--|----|---------|------------|------------|------------|------------|-----------|
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period    |    |         |            |            |            |            | \$ 76,294 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ | 64,400  | \$ 64,400  | \$ 64,400  | \$ 64,400  | \$ 64,400  |           |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$ | 327,990 | \$ 315,669 | \$ 297,332 | \$ 325,065 | \$ 299,505 |           |
| Borrowings outstanding, end of period (000)                                  | \$ | 18,044  | \$ 18,044  | \$ 20,545  | \$ 14,371  | \$ 4,684   | \$ 4,684  |
| Asset coverage, end of period per \$1,000 of borrowings                      | \$ | 9,137   | \$ 8,697   | \$ 7,186   | \$ 11,086  | \$ 28,428  | \$ 29,239 |
| Portfolio turnover rate  |    | 6%      | 17%        | 11%        | 21%        | 12%        | 12%       |

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

<sup>2</sup> Amount is greater than \$(0.005) per share.

<sup>3</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

<sup>4</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>5</sup> Aggregate total return.

<sup>6</sup> Annualized.

<sup>7</sup> Does not reflect the effect of distributions to AMPS Shareholders.

<sup>8</sup> Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

<sup>9</sup> For the six months ended January 31, 2015 and the years ended July 31, 2014, July 31, 2013 and July 31, 2012, the total expense ratio after fees waived and/or reimbursed and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.02%, 0.98%, 0.93% and 0.99%, respectively.

<sup>10</sup> Includes reorganization costs associated with the Fund's merger. Without these costs, total expenses and total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs would have been 1.47% and 0.96%, respectively.

See Notes to Financial Statements.

## Financial Highlights

BlackRock MuniYield Pennsylvania Quality Fund, Inc.  
(MPA)

|   | Six Months Ended<br>January 31,<br>2015 |            | Year Ended July 31, |                    |                    |                    |
|---|---|------------|---------------------|--------------------|--------------------|--------------------|
|   | (Unaudited)                             | 2014       | 2013                | 2012               | 2011               | 2010               |
| <b>Per Share Operating Performance</b>  |   |            |                     |                    |                    |                    |
| Net asset value, beginning of period  | \$ 15.77                                | \$ 14.59   | \$ 16.57            | \$ 14.97           | \$ 15.38           | \$ 14.28           |
| Net investment income <sup>1</sup>  | 0.42                                    | 0.87       | 0.90                | 0.85               | 0.92               | 0.92               |
| Net realized and unrealized gain (loss)   | 0.71                                    | 1.20       | (1.99)              | 1.66               | (0.38)             | 1.02               |
| Distributions to AMPS Shareholders from net investment income   |   |            |                     |                    | (0.03)             | (0.03)             |
| Net increase (decrease) from investment operations  | 1.13                                    | 2.07       | (1.09)              | 2.51               | 0.51               | 1.91               |
| Distributions to Common Shareholders from net investment income <sup>2</sup>  | (0.44)                                  | (0.89)     | (0.89)              | (0.91)             | (0.92)             | (0.81)             |
| Net asset value, end of period  | \$ 16.46                                | \$ 15.77   | \$ 14.59            | \$ 16.57           | \$ 14.97           | \$ 15.38           |
| Market price, end of period   | \$ 15.11                                | \$ 13.89   | \$ 13.07            | \$ 15.98           | \$ 13.94           | \$ 15.26           |
| <b>Total Return Applicable to Common Shareholders<sup>3</sup></b>   |   |            |                     |                    |                    |                    |
| Based on net asset value  | 7.63% <sup>4</sup>                      | 15.39%     | (6.78)%             | 17.34%             | 3.84%              | 14.18%             |
| Based on market price   | 12.17% <sup>4</sup>                     | 13.45%     | (13.42)%            | 21.53%             | (2.55)%            | 25.70%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |   |            |                     |                    |                    |                    |
| Total expenses  | 1.60% <sup>5,8</sup>                    | 1.48%      | 1.53%               | 1.65%              | 1.37% <sup>6</sup> | 1.15% <sup>6</sup> |
| Total expenses after fees waived and/or reimbursed  | 1.43% <sup>5,8</sup>                    | 1.48%      | 1.53%               | 1.65%              | 1.36% <sup>6</sup> | 1.15% <sup>6</sup> |
| Total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 0.95% <sup>5,8</sup>                    | 0.95%      | 0.94%               | 1.28% <sup>9</sup> | 1.14% <sup>6</sup> | 1.00% <sup>6</sup> |
| Net investment income   | 5.15% <sup>5</sup>                      | 5.79%      | 5.46%               | 5.38%              | 6.24% <sup>6</sup> | 6.17% <sup>6</sup> |
| Distributions to AMPS Shareholders  |   |            |                     |                    | 0.18%              | 0.22%              |
| Net investment income to Common Shareholders  | 5.15% <sup>5</sup>                      | 5.79%      | 5.46%               | 5.38%              | 6.06%              | 5.95%              |
| <b>Supplemental Data</b>  |   |            |                     |                    |                    |                    |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 189,333                              | \$ 181,459 | \$ 167,857          | \$ 190,562         | \$ 171,938         | \$ 176,530         |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |   |            |                     |                    |                    | \$ 66,350          |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period (000)   |   |            |                     |                    |                    | \$ 91,517          |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 66,300                               | \$ 66,300  | \$ 66,300           | \$ 66,300          | \$ 66,300          |                    |

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|  |    |         |            |            |            |            |           |
|--|----|---------|------------|------------|------------|------------|-----------|
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$ | 385,570 | \$ 373,693 | \$ 353,178 | \$ 387,425 | \$ 359,333 |           |
| Borrowings outstanding, end of period (000)                                  | \$ | 37,066  | \$ 37,066  | \$ 53,010  | \$ 50,860  | \$ 33,765  | \$ 38,445 |
| Asset coverage, end of period per \$1,000 of borrowings                      | \$ | 6,108   | \$ 5,896   | \$ 4,167   | \$ 4,747   | \$ 6,092   | \$ 5,592  |
| Portfolio turnover rate  |    | 7%      | 16%        | 8%         | 23%        | 11%        | 6%        |

<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> Aggregate total return.

<sup>5</sup> Annualized.

<sup>6</sup> Does not reflect the effect of distributions to AMPS Shareholders.

<sup>7</sup> Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

<sup>8</sup> Includes reorganization costs associated with the Fund's merger. Without these costs, total expenses and total expenses after fees waived and/or reimbursed and excluding interest expense, fees and amortization of offering costs would have been 1.40% and 0.92%, respectively.

<sup>9</sup> For the year ended July 31, 2012, the total expense ratio after fees waived and/or reimbursed and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.99%.

See Notes to Financial Statements.



## Notes to Financial Statements (Unaudited)

**1. Organization:**

The following are registered under the 1940 Act, as closed-end management investment companies and referred to herein collectively as the Funds :

| Fund Name   | Herein Referred To As | Organized     | Diversification Classification |
|---|-----------------------|---------------|--------------------------------|
| BlackRock MuniHoldings California Quality Fund, Inc | MUC                   | Maryland      | Non-diversified                |
| BlackRock MuniHoldings New Jersey Quality Fund, Inc | MUJ                   | Maryland      | Non-diversified                |
| BlackRock MuniYield Investment Quality Fund         | MFT                   | Massachusetts | Non-diversified                |
| BlackRock MuniYield Michigan Quality Fund, Inc.     | MIY                   | Maryland      | Non-diversified                |
| BlackRock MuniYield New Jersey Quality Fund, Inc.   | MJI                   | Maryland      | Non-diversified                |
| BlackRock MuniYield Pennsylvania Quality Fund       | MPA                   | Massachusetts | Non-diversified                |

The Board of Directors and Board of Trustees of the Funds are collectively referred to throughout this report as the Board of Directors or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Directors . The Funds determine and make available for publication the NAVs of their Common Shares on a daily basis.

**2. Significant Accounting Policies:**

The Funds financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( U.S. GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of significant accounting policies followed by the Funds:

**Valuation:** The Funds investments are valued at fair value as of the close of trading on the New York Stock Exchange ( NYSE ) (generally 4:00 p.m., Eastern time) (or if the reporting date falls on a day the NYSE is closed, investments are valued at fair value as of the report date). U.S. GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds determine the fair values of their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee ) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Funds for all financial instruments.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Investments in open-end registered investment companies are valued at NAV each business day.

In the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Investments ). When determining the price for Fair Value Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent with the principles of fair value measurement. The pricing of all Fair Value Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

**Segregation and Collateralization:** In cases where a Fund enters into certain investments (e.g., financial futures contracts), or certain borrowings (e.g., TOBs) that would be senior securities for 1940 Act purposes, the Fund may segregate or designate on its books and records cash or liquid securities having a market value at least equal to the amount of the Fund s future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security . Furthermore, if required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Distributions: Distributions from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date. The character and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. Distributions to Preferred Shareholders are accrued and determined as described in Note 9.

## Notes to Financial Statements (continued)

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the Plan) approved by each Fund's Board, the independent Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors. This has the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Deferred compensation liabilities are included in officer's and director's fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Funds until such amounts are distributed in accordance with the Plan.

**Other:** Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are prorated among those funds on the basis of relative net assets or other appropriate methods.

The Funds have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

### 3. Securities and Other Investments:

**Zero-Coupon Bonds:** The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Forward Commitments and When-Issued Delayed Delivery Securities:** The Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than the security is worth. In addition, the Funds are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Funds' maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**Municipal Bonds Transferred to TOB Trusts:** The Funds leverage their assets through the use of TOB Trusts. The Funds transfer municipal bonds into a special purpose entity (TOB Trust). Other funds managed by the investment advisor may also contribute municipal bonds to a TOB Trust into which a Fund has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates (TOB Trust Certificates), which are sold to third party investors, and residual certificates (TOB Residuals), which are generally issued to the participating funds that contributed the municipal bonds to the TOB Trust. If multiple funds participate in the same TOB Trust, the rights and obligations under the TOB Residual will be shared among the funds ratably in proportion to their participation in the Trust.

The municipal bonds transferred to a TOB Trust typically are high grade municipal bonds. In certain cases, when municipal bonds transferred are lower grade municipal bonds, the TOB transaction includes a credit enhancement feature that provides for the timely payment of principal and interest on the bonds to the TOB Trust by a credit enhancement provider. The Funds, as TOB Residual holders, would be responsible for the payment of the credit enhancement fee and for reimbursement of any payments of principal and interest made by the credit enhancement provider.

The Residuals held by a Fund include the right of a Fund (subject to the non-occurrence of certain termination events enumerated below, and a specified number of days' prior notice), to cause the holders of a proportional share of the TOB Trust Certificates to tender their certificates at par plus accrued interest. Thereafter, that Fund may withdraw a corresponding share of the municipal bonds from the TOB Trust. The TOB Trust may also be collapsed without the consent of a Fund, upon the occurrence of tender option termination events (TOTES) and mandatory termination events (MTEs), as defined in the TOB Trust agreements. TOTES may include the bankruptcy or default of the issuer of the municipal bond, a substantial downgrade in credit quality of the issuer of the municipal bond, failure of any scheduled payment of principal or interest on the underlying bonds, and a judgment or ruling that interest on the municipal bond is subject to federal income taxation. MTEs may include, among other things, a failed remarketing of the TOB Trust Certificates, the inability of the TOB Trust to obtain renewal of the liquidity support agreement and a substantial decline in the market value of the municipal bond. Upon the occurrence of a TOTE or an MTE, the TOB Trust would be liquidated with the proceeds applied first to any accrued fees owed to the trustee of the TOB Trust, the remarketing agent and the Liquidity Provider. In the case of an MTE, after the payment of fees, the TOB Trust Certificate holders would be paid senior to the Residual holders (i.e., the Funds). In contrast, in the case of a TOTE, after payment of fees, the TOB Trust Certificate holders and Residual holders would

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be paid equally in proportion to the respective face values of their certificates. During the six months ended January 31, 2015, no TOB Trusts in which the Funds participated were terminated without the consent of the Funds.

The cash received by the TOB Trust from the sale of the TOB Trust Certificates, less transaction expenses, is paid to a Fund. The Funds typically invest the cash received in additional municipal bonds. Each Fund's transfer of the municipal bonds to a TOB Trust is considered a secured borrowing for financial

## Notes to Financial Statements (continued)

reporting purposes; therefore, the municipal bonds deposited into a TOB Trust are presented in the Funds' Schedules of Investments and the TOB Trust Certificates are shown in other liabilities in the Statements of Assets and Liabilities. The carrying amount of each Fund's payable to the holder of the TOB Trust Certificates, as reported in the Statements of Assets and Liabilities as TOB Trust Certificates, approximates its fair value.

The Funds may invest in TOB Trusts on either a non-recourse or recourse basis. TOB Trusts are typically supported by a liquidity facility provided by a bank or other financial institution (the "Liquidity Provider") that allows the holders of the TOB Trust Certificates to tender their certificates in exchange for payment from the Liquidity Provider of par plus accrued interest on any business day prior to the occurrence of the termination events described above.

When a Fund invests in TOB Trusts on a non-recourse basis, and the Liquidity Provider is required to make a payment under the liquidity facility, the Liquidity Provider will typically liquidate all or a portion of the municipal securities held in the TOB Trust and then fund, on a net basis, the balance, if any, of the amount owed under the liquidity facility over the liquidation proceeds (the "Liquidation Shortfall"). If a Fund invests in a TOB Trust on a recourse basis, the Fund will typically enter into a reimbursement agreement with the Liquidity Provider where the Fund is required to repay the Liquidity Provider the amount of any Liquidation Shortfall. As a result, a Fund investing in a recourse TOB Trust will bear the risk of loss with respect to any Liquidation Shortfall. If multiple funds participate in any such TOB Trust, these losses will be shared ratably, including the maximum potential amounts owed by the Funds at January 31, 2015, in proportion to their participation in the TOB Trust. The recourse TOB Trusts are identified in the Schedules of Investments including the maximum potential amounts owed by the Funds at January 31, 2015.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Funds on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB Trust are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. The TOB Trust Certificates have interest rates that generally reset weekly and their holders have the option to tender such certificates to the TOB for redemption at par at each reset date. At January 31, 2015, the aggregate value of the underlying municipal bonds transferred to TOB Trusts, the related liability for TOB Trust Certificates and the range of interest rates on the liability for TOB Trust Certificates were as follows:

|     | <b>Underlying<br/>Municipal<br/>Bonds<br/>Transferred to<br/>TOBs</b> | <b>Liability For<br/>TOB Trust<br/>Certificates</b> | <b>Range of<br/>Interest Rates</b> |
|-----|---|---|------------------------------------|
| MUC | \$ 240,450,940  | \$ 109,286,444                                      | 0.02% - 0.17%                      |
| MUJ | \$ 66,431,533   | \$ 34,699,311                                       | 0.02% - 0.17%                      |
| MFT | \$ 38,192,171   | \$ 19,509,342                                       | 0.02% - 0.25%                      |
| MIY | \$ 49,135,561   | \$ 23,487,000                                       | 0.02% - 0.17%                      |
| MJI | \$ 33,867,646   | \$ 18,044,269                                       | 0.02% - 0.17%                      |
| MPA | \$ 71,124,003   | \$ 37,066,212                                       | 0.03% - 0.22%                      |

For the six months ended January 31, 2015, the Funds' average TOB Trust Certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

|     | <b>Average TOB<br/>Trust<br/>Certificates<br/>Outstanding</b> | <b>Daily<br/>Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|---|
| MUC | \$ 95,200,574   | 0.60%   |
| MUJ | \$ 34,699,311   | 0.64%   |
| MFT | \$ 19,941,360   | 0.66%   |
| MIY | \$ 23,487,000   | 0.53%   |
| MJI | \$ 18,044,269   | 0.66%   |
| MPA | \$ 37,066,212   | 0.63%   |

Should short-term interest rates rise, the Funds' investments in TOB transactions may adversely affect the Funds' net investment income and dividends to Common Shareholders. Also, fluctuations in the market value of municipal bonds deposited into the TOB Trust may adversely affect the Funds' NAVs per share.

While the Funds' investment policies and restrictions expressly permit investments in inverse floating rate securities such as Residuals, they generally do not allow the Funds to borrow money for purposes of making investments. The Funds' management believes that the Funds' restrictions on borrowings do not apply to secured borrowings. For accounting purposes, the Funds' transfer of municipal bonds to a TOB Trust are deemed secured borrowings.

#### **4. Derivative Financial Instruments:**

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to economically hedge their exposure to certain risks such as interest rate risk. These contracts may be transacted on an exchange.

**Financial Futures Contracts:** The Funds invest in long and/or short positions in financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Funds and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the

## Notes to Financial Statements (continued)

particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date.

Upon entering into a financial futures contract, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited, if any, is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin. Variation margin is recorded by the Funds as unrealized appreciation or depreciation and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities.

When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

The following is a summary of the Funds' derivative financial instruments categorized by risk exposure:

## Fair Values of Derivative Financial Instruments as of January 31, 2015

| Statements of Assets and Liabilities Location | Value   |                        |                   |                        |                   |                        |
|---|---|------------------------|-------------------|------------------------|-------------------|------------------------|
|   | MUC   |                        | MUJ               |                        | MFT               |                        |
|   | Derivative Assets                                     | Derivative Liabilities | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> |                        |                   |                        |                   |                        |
|   |   | \$ (1,630,915)         |                   | \$ (1,283,124)         |                   | \$ (698,733)           |

  

| Statements of Assets and Liabilities Location | Value   |                        |                   |                        |                   |                        |
|---|---|------------------------|-------------------|------------------------|-------------------|------------------------|
|   | MIY   |                        | MJI               |                        | MPA               |                        |
|   | Derivative Assets                                     | Derivative Liabilities | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> |                        |                   |                        |                   |                        |
|   |   | \$ (923,371)           |                   | \$ (559,799)           |                   | \$ (526,217)           |

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

## The Effect of Derivative Financial Instruments in the Statements of Operations

| Interest rate contracts:    | Six Months Ended January 31, 2015 |              |              |   |                |              |
|-----------------------------|-----------------------------------|--------------|--------------|---|----------------|--------------|
|                             | Net Realized Loss From            |              |              | Net Change in Unrealized Appreciation/Depreciation on |                |              |
|                             | MUC                               | MUJ          | MFT          | MUC   | MUJ            | MFT          |
| Financial futures contracts | \$ (1,463,700)                    | \$ (517,351) | \$ (178,013) | \$ (1,729,878)  | \$ (1,370,923) | \$ (732,568) |

  

| Interest rate contracts:    | Six Months Ended January 31, 2015 |              |              |   |              |              |
|-----------------------------|-----------------------------------|--------------|--------------|---|--------------|--------------|
|                             | Net Realized Loss From            |              |              | Net Change in Unrealized Appreciation/Depreciation on |              |              |
|                             | MIY                               | MJI          | MPA          | MIY   | MJI          | MPA          |
| Financial futures contracts | \$ (343,939)                      | \$ (229,831) | \$ (438,191) | \$ (983,331)  | \$ (596,203) | \$ (484,974) |

For the six months ended January 31, 2015, the average quarterly balances of outstanding derivative financial instruments were as follows:

|   | MUC           | MUJ           | MFT           | MIY           | MJI           | MPA           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Financial futures contracts:              |               |               |               |               |               |               |
| Average notional value of contracts short | \$ 64,308,594 | \$ 38,793,242 | \$ 21,289,570 | \$ 27,887,109 | \$ 16,863,086 | \$ 15,955,344 |

Counterparty Credit Risk: A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

A Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by such Fund.

With exchange-traded futures, there is less counterparty credit risk to the Funds since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange-traded futures with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are



## Notes to Financial Statements (continued)

required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Funds.

### 5. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate, for 1940 Act purposes, of BlackRock, Inc. ( BlackRock ).

Each Fund entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager ), the Funds' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee based on a percentage of each Fund's average daily net assets at the following annual rates:

|                         | MUC   | MUJ   | MFT   | MIY   | MJI   | MPA   |
|-------------------------|-------|-------|-------|-------|-------|-------|
| Investment advisory fee | 0.55% | 0.55% | 0.50% | 0.50% | 0.50% | 0.50% |

Average daily net assets are the average daily value of each Fund's total assets minus its total accrued liabilities.

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Fund's investments in other affiliated investment companies, if any. These amounts are included in fees waived by Manager in the Statements of Operations. For the six months ended January 31, 2015 the amounts waived were:

|                | MUC    | MUJ      | MFT   | MIY      | MJI    | MPA  |
|----------------|--------|----------|-------|----------|--------|------|
| Amounts waived | \$ 417 | \$ 2,163 | \$ 67 | \$ 5,724 | \$ 950 | \$ 4 |

The Manager, for MUC and MUJ, voluntarily agreed to waive its investment advisory fee on the proceeds of the Preferred Shares and TOBs that exceed 35% of total assets minus the sum of its accrued liabilities. This amount is included in fees waived by Manager in the Statements of Operations. For the six months ended January 31, 2015, the waivers were:

|     |           |
|-----|-----------|
| MUC | \$ 350    |
| MUJ | \$ 62,248 |

Certain officers and/or Directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of the compensation paid to the Funds' Chief Compliance Officer, which is included in officer and directors in the Statements of Operations.

### 6. Purchases and Sales:

For the six months ended January 31, 2015, purchases and sales of investments, excluding short-term securities were as follows:

|           | MUC            | MUJ           | MFT          | MIY           | MJI           | MPA           |
|-----------|----------------|---------------|--------------|---------------|---------------|---------------|
| Purchases | \$ 136,058,786 | \$ 35,635,306 | \$ 9,712,105 | \$ 45,377,025 | \$ 12,937,969 | \$ 23,530,865 |
| Sales     | \$ 101,655,891 | \$ 39,425,721 | \$ 9,126,371 | \$ 40,730,123 | \$ 12,859,327 | \$ 20,728,107 |

### 7. Income Tax Information:

It is the Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

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Each Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' U.S. federal tax returns remains open for each of the four years ended July 31, 2014. The statutes of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Funds' facts and circumstances and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

As of July 31, 2014, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires July 31,           | MUC           | MUJ          | MFT           | MIY          | MJI          | MPA          |
|----------------------------|---------------|--------------|---------------|--------------|--------------|--------------|
| 2016                       |               |              |               | \$ 1,401,889 |              |              |
| 2017                       | \$ 6,504,940  |              |               | 2,031,132    |              | \$ 1,066,968 |
| 2018                       |               |              | \$ 4,616,682  |              |              | 893,908      |
| 2019                       |               |              |               |              |              | 50,303       |
| No expiration <sup>1</sup> | 6,704,230     | \$ 3,805,742 | 6,128,990     | 6,520,645    | \$ 2,198,376 | 1,448,538    |
| <b>Total</b>               | \$ 13,209,170 | \$ 3,805,742 | \$ 10,745,672 | \$ 9,953,666 | \$ 2,198,376 | \$ 3,459,717 |

<sup>1</sup> Must be utilized prior to losses subject to expiration.

## Notes to Financial Statements (continued)

As of January 31, 2015, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

|                               | MUC            | MUJ            | MFT            | MIY            | MJI            | MPA            |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tax cost                      | \$ 828,047,301 | \$ 463,144,060 | \$ 164,296,244 | \$ 397,323,199 | \$ 187,178,357 | \$ 244,567,264 |
| Gross unrealized appreciation | \$ 89,397,580  | \$ 56,197,037  | \$ 25,038,477  | \$ 43,040,021  | \$ 22,949,141  | \$ 24,329,977  |
| Gross unrealized depreciation | (97,847)       | (773,729)      | (268,823)      | (148,046)      | (491,475)      | (762,247)      |
| Net unrealized appreciation   | \$ 89,299,733  | \$ 55,423,308  | \$ 24,769,654  | \$ 42,891,975  | \$ 22,457,666  | \$ 23,567,730  |

**8. Principal Risks:**

MUC, MUJ, MIY, MJI, and MPA invest a substantial amount of their assets in issuers located in a single state or limited number of states. Investment percentages in specific states or U.S. territories are presented in the Schedules of Investments.

Many municipalities insure repayment of their bonds, which may reduce the potential for loss due to credit risk. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet its obligation.

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Funds.

The Funds invest a significant portion of their assets in fixed-income securities and/or uses derivatives tied to the fixed income markets. See the Schedules of Investments for these securities and derivatives. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Funds may be subject to a greater risk of rising interest rates due to the current period of historically low rates.

As of January 31, 2015, MUC and MPA invested a significant portion of their assets in securities in the county/city/special district/school district sector. MIY and MJI invested a significant portion of their assets in securities in the education sector. MIY invested a significant portion of their assets in securities in the health sector. MUJ invested a significant portion of their assets in securities in the state sector. MUJ, MFT and MJI invested a significant portion of their assets in securities in the transportation sector. MUC invested a significant portion of their assets in securities in the utilities sector. Changes in economic conditions affecting such sectors would have a greater impact on the Funds and could affect the value, income and/or liquidity of positions in such securities.

The Funds may hold a significant amount of bonds subject to calls by the issuers at defined dates and prices. When bonds are called by issuers and the Funds reinvest the proceeds received, such investments may be in securities with lower yields than the bonds originally held, and correspondingly, could adversely impact the yield and total return performance of a fund.

On December 10, 2013, regulators published final rules implementing section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), which prohibit banking entities from engaging in proprietary trading of certain instruments and limit such entities' investments in, and relationships with, covered funds as defined in the Volcker Rule. The Volcker Rule precludes banking entities and their affiliates from sponsoring existing TOB Trusts as such Trusts have been structured to date. In response to these restrictions, market participants have developed a new structure for TOB Trusts designed to ensure that no banking entity is sponsoring the TOB Trust for purposes of the Volcker Rule. In such a structure, certain responsibilities that previously belonged to the sponsor bank will be performed by the Funds.

The Funds may utilize the service providers in meeting these responsibilities. This structure remains untested. It is possible that regulators could take positions that could limit the market for such newly structured TOB Trust transactions or the Fund's ability to hold Residuals. Under the new TOB Trust structure, the Funds will have certain additional duties and responsibilities, which may give rise to certain additional risks including compliance, securities law and operational risks.

There can be no assurance that the Funds can successfully enter into restructured TOB Trust transactions in order to refinance their existing Residual holdings prior to the compliance date for the Volcker Rule, which may require that the Funds unwind existing TOB Trusts. There can be no assurance that alternative forms of leverage will be available to the Funds and any alternative forms of leverage may be more or less advantageous to the Funds than existing TOB leverage.

## Notes to Financial Statements (continued)

TOB transactions constitute an important component of the municipal bond market. Accordingly, implementation of the Volcker Rule may adversely impact the municipal market, including through reduced demand for and liquidity of municipal bonds and increased financing costs for municipal issuers. Any such developments could adversely affect the Funds. The ultimate impact of these rules on the TOB market and the overall municipal market is not yet certain.

### 9. Capital Share Transactions:

MFT and MPA are authorized to issue an unlimited number of Common Shares and 1 million Preferred Shares. The par value for each Fund's Common Shares is \$0.10. The par value for each Fund's Preferred Shares outstanding is \$0.05. Each Fund's Board is authorized, however, to reclassify any unissued Common Shares to Preferred Shares without approval of Common Shareholders.

MUC, MUJ, MIY and MJI are authorized to issue 200 million shares, par value \$0.10 per share, all of which were initially classified as Common Shares. Each Fund's Board is authorized, however, to reclassify any unissued Common Shares as Preferred Shares without approval of Common Shareholders.

#### Common Shares

For the six months ended January 31, 2015 and year ended July 31, 2014, shares issued and outstanding remained constant for the Funds.

#### Preferred Shares

Each Fund's Preferred Shares rank prior to the Fund's Common Shares as to the payment of dividends by the Fund and distribution of assets upon dissolution or liquidation of the Fund. The 1940 Act prohibits the declaration of any dividend on the Fund's Common Shares or the repurchase of the Fund's Common Shares if the Fund fails to maintain the asset coverage of at least 200% of the liquidation preference of the outstanding Preferred Shares. In addition, pursuant to the Preferred Shares' governing instruments, the Fund is restricted from declaring and paying dividends on classes of shares ranking junior to or on parity with the Preferred Shares or repurchasing such shares if the Fund fails to declare and pay dividends on the Preferred Shares, redeem any Preferred Shares required to be redeemed under the Preferred Shares' governing instruments or comply with the basic maintenance amount requirement of the agencies rating the Preferred Shares.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

#### VRDP Shares

MUJ, MIY, MJI and MPA (collectively, the VRDP Funds), have issued Series W-7 VRDP Shares, \$100,000 liquidation value per share, in a privately negotiated offering. The VRDP Shares were offered to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, as amended, (the Securities Act) and include a liquidity feature, pursuant to a liquidity agreement, that allows the holders of VRDP Shares to have their shares purchased by the liquidity provider in the event of a failed remarketing. The VRDP Funds are required to redeem the VRDP Shares owned by the liquidity provider after six months of continuous, unsuccessful remarketing. Upon the occurrence of the first unsuccessful remarketing, the VRDP Funds are required to segregate liquid assets to fund the redemption. The VRDP Shares are subject to certain restrictions on transfer.

As of January 31, 2015, the VRDP Shares outstanding were as follows:

|     | Issue Date | Shares Issued | Aggregate Principal | Maturity Date |
|-----|------------|---------------|---------------------|---------------|
| MUJ | 6/30/11    | 1,727         | \$ 172,700,000      | 7/01/41       |
| MIY | 4/21/11    | 1,446         | \$ 144,600,000      | 5/01/41       |
| MJI | 6/30/11    | 644           | \$ 64,400,000       | 7/01/41       |
| MPA | 5/19/11    | 663           | \$ 66,300,000       | 6/01/41       |

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The VRDP Funds entered into a fee agreement with the liquidity provider that may require an initial commitment and a per annum liquidity fee payable to the liquidity provider. These fees, if applicable, are shown as liquidity fees in the Statements of Operations.

The fee agreement between MUJ, MIY, MJI and MPA and the liquidity provider are scheduled to expire, unless renewed or terminated in advance, as follows:

|                 | <b>MUJ</b> | <b>MIY</b> | <b>MJI</b> | <b>MPA</b> |
|-----------------|------------|------------|------------|------------|
| Expiration Date | 4/19/17    | 7/09/15    | 4/19/17    | 7/09/15    |

In the event the fee agreement is not renewed or is terminated in advance, and the VRDP Funds do not enter into a fee agreement with an alternate liquidity provider, the VRDP Shares will be subject to mandatory purchase by the liquidity provider prior to the termination of the fee agreement. The VRDP Funds are required to redeem any VRDP Shares purchased by the liquidity provider six months after the purchase date. Immediately after the purchase of

## Notes to Financial Statements (continued)

any VRDP Shares by the liquidity provider, the VRDP Funds are required to begin to segregate liquid assets with the VRDP Fund's custodian to fund the redemption. There is no assurance the VRDP Funds will replace such redeemed VRDP Shares with any other preferred shares or other form of leverage.

Each VRDP Fund is required to redeem its VRDP Shares on the maturity date, unless earlier redeemed or repurchased. Six months prior to the maturity date, each VRDP Fund is required to begin to segregate liquid assets with the Fund's custodian to fund the redemption. In addition, each VRDP Fund is required to redeem certain of its outstanding VRDP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, the VRDP Shares may be redeemed, in whole or in part, at any time at the option of the VRDP Funds. The redemption price per VRDP Share is equal to the liquidation value per share plus any outstanding unpaid dividends.

Dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed. At the date of issuance, the VRDP Shares were assigned a long-term rating of Aaa from Moody's and AAA from Fitch. Subsequent to the issuance of the VRDP Shares, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of January 31, 2015, the VRDP Shares were assigned a long-term rating of Aa2 from Moody's under its new ratings methodology. The VRDP Shares continue to be assigned a long-term rating of AAA from Fitch.

The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody's, Fitch and/or S&P. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly related based upon either short-term rating. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories. The short-term ratings on the VRDP Shares were withdrawn by Moody's, Fitch and/or S&P at the commencement of the special rate period, as described below.

For financial reporting purposes, the VRDP Shares are considered debt of the issuer; therefore, the liquidation value, which approximates fair value, of the VRDP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the VRDP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. The VRDP Shares are treated as equity for tax purposes. Dividends paid to holders of the VRDP Shares are generally classified as tax-exempt income for tax-reporting purposes.

The VRDP Funds may incur remarketing fees of 0.10% on the aggregate principal amount of all the VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. All of the remarketable VRDP Shares that were tendered for remarketing during the six months ended January 31, 2015 were successfully remarketed.

For the six months ended January 31, 2015, the annualized dividend rates for the VRDP Shares were as follows:

|      | MUJ   | MIY   | MJI   | MPA   |
|------|-------|-------|-------|-------|
| Rate | 0.92% | 0.99% | 0.92% | 0.99% |

On June 21, 2012, MIY and MPA commenced a three-year term ending June 24, 2015 (special rate period) with respect to their VRDP Shares. The implementation of the special rate period resulted in a mandatory tender of the VRDP Shares prior to the commencement of the special rate period. The mandatory tender event was not the result of a failed remarketing.

On April 17, 2014, MUJ and MJI commenced a three-year term ending April 19, 2017 (special rate period) with respect to their VRDP Shares. The implementation of the special rate period resulted in a mandatory tender of the VRDP Shares prior to the commencement of the special rate period. The mandatory tender event was not the result of a failed remarketing.

The liquidity and fee agreements remain in effect for the duration of the special rate period and the VRDP shares are still subject to mandatory redemption by the VRDP Funds on maturity date. The VRDP Shares will not be remarketed or subject to optional or mandatory tender events during such time. During the special rate period, the VRDP Funds are required to maintain the same asset coverage, basic maintenance amount

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and leverage requirements for the VRDP Shares. MIY and MPA will not pay any liquidity and remarketing fees during the special rate period and MUJ and MJI will pay each of the liquidity provider and remarketing agent a nominal fee at the annual rate of 0.01% during the special rate period. Each VRDP Fund instead will pay dividends monthly based on the sum of Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index and a percentage per annum based on the long-term ratings assigned to the VRDP Shares. The short-term ratings were withdrawn by Moody's, Fitch and/or S&P. Short-term ratings may be re-assigned upon the termination of the special rate period when the VRDP Shares revert back to remarketable securities.

If the VRDP Funds redeems the VRDP Shares on a date that is one year or more before the end of the special rate period and the VRDP Shares are rated above A1/A by Moody's and Fitch respectively, then such redemption is subject to a redemption premium payable to the holder of the VRDP Shares based



## Notes to Financial Statements (continued)

on the time remaining in the special rate period, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. After June 24, 2015 for MIY and MPA and April 19, 2017 for MUJ and MJI the holder of the VRDP Shares and the VRDP Funds may mutually agree to extend the special rate period. If the special rate period is not extended, the VRDP Shares will revert back to remarketable securities and will be remarketed and available for purchase by qualified institutional investors.

As of the six months ended January 31, 2015, VRDP Shares issued and outstanding remained constant.

## VMTP Shares

MUC and MFT (collectively, the VMTP Funds), have issued Series W-7 VMTP Shares, \$100,000 liquidation value per share, in a privately negotiated offering and sale of VMTP Shares exempt from registration under the Securities Act.

As of the six months ended January 31, 2015, the VMTP Shares outstanding were as follows:

|     | Issue Date | Shares Issued | Aggregate Principal | Term Date |
|-----|------------|---------------|---------------------|-----------|
| MUC | 3/22/12    | 2,540         | \$ 254,000,000      | 4/01/15   |
| MFT | 12/16/11   | 565           | \$ 56,500,000       | 12/31/15  |

Each VMTP Fund is required to redeem its VMTP Shares on the term date, unless earlier redeemed or repurchased or unless extended. The term date for VMTP Shares of MFT was extended to December 31, 2015 in June 2014. There is no assurance that the term of a Fund's VMTP Shares will be extended further or that a Fund's VMTP Shares will be replaced with any other preferred shares or other form of leverage upon the redemption or repurchase of the VMTP Shares. Six months prior to term date, each VMTP Fund is required to begin to segregate liquid assets with the Fund's custodian to fund the redemption. In addition, each VMTP Fund is required to redeem certain of its outstanding VMTP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, a Fund's VMTP Shares may be redeemed, in whole or in part, at any time at the option of the Fund. The redemption price per VMTP Share is equal to the liquidation value per share plus any outstanding unpaid dividends and applicable redemption premium. If the Fund redeems the VMTP Shares on a date that is one year or more prior to the term date and the VMTP Shares are rated above A1/A+ by Moody's and Fitch, respectively, then such redemption is subject to a prescribed redemption premium (up to 3% of the liquidation preference) payable to the holder of the VMTP Shares based on the time remaining to the term date, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. The VMTP Shares are subject to certain restrictions on transfer, and a Fund may also be required to register the VMTP Shares for sale under the Securities Act under certain circumstances. In addition, amendments to the VMTP governing document generally require the consent of the holders of VMTP Shares.

Dividends on the VMTP Shares are declared daily and payable monthly at a variable rate set weekly at a fixed rate spread to the SIFMA Municipal Swap Index. The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by Moody's and Fitch. At the date of issuance, the VMTP Shares for each Fund were assigned long-term ratings of Aaa from Moody's and AAA from Fitch. Subsequent to the issuance of the VMTP Shares, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of January 31, 2015, the VMTP Shares were assigned a long-term rating of Aa1 and Aa2 from Moody's under its new rating methodology. The VMTP Shares continue to be assigned a long-term rating of AAA from Fitch. The dividend rate on the VMTP Shares is subject to a step-up spread if the Fund fails to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and maintaining certain asset coverage and leverage requirements.

As of the six months ended January 31, 2015, the annualized dividend rates for the VRDP Shares were as follows:

|      | MUC   | MFT   |
|------|-------|-------|
| Rate | 1.04% | 1.04% |

For financial reporting purposes, the VMTP Shares are considered debt of the issuer; therefore the liquidation value, which approximates fair value, of the VMTP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the VMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. The VMTP Shares are treated as equity for tax purposes. Dividends paid to holders of the VMTP Shares are generally classified as tax-exempt income for tax-reporting purposes.

As of the six months ended January 31, 2015, VMTP Shares issued and outstanding remained constant.

Offering Costs: The Funds incurred costs in connection with the issuance of VRDP Shares and/or VMTP Shares. For VRDP Shares, these costs were recorded as a deferred charge and will be amortized over the 30-year life of the VRDP Shares with the exception of upfront fees paid to the liquidity provider which were amortized over the life of the liquidity agreement. For VMTP Shares, these costs were recorded as a deferred charge and will be amortized over the 3-year life of the VMTP Shares. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

## Notes to Financial Statements (concluded)

**10. Subsequent Events:**

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Fund paid a net investment income dividend on March 2, 2015, to Common Shareholders of record on February 13, 2015:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| MUC | \$ 0.0675                                |
| MUJ | \$ 0.0740                                |
| MFT | \$ 0.0710                                |
| MIY | \$ 0.0720                                |
| MJI | \$ 0.0740                                |
| MPA | \$ 0.0740                                |

Additionally, the Funds declared a net investment income dividend on March 2, 2015 payable to Common Shareholders of record on March 13, 2015 for the same amounts noted above, except the amount for MPA was \$0.0715.

The dividends declared on Preferred Shares for the period February 1, 2015 to February 28, 2015, were as follows:

|     | <b>Preferred<br/>Shares</b> | <b>Series</b> | <b>Dividends<br/>Declared</b> |
|-----|-----------------------------|---------------|-------------------------------|
| MUC | VMTP Shares                 | W-7           | \$ 198,746                    |
| MUJ | VRDP Shares                 | W-7           | \$ 119,234                    |
| MFT | VMTP Shares                 | W-7           | \$ 44,209                     |
| MIY | VRDP Shares                 | W-7           | \$ 107,598                    |
| MJI | VRDP Shares                 | W-7           | \$ 44,463                     |
| MPA | VRDP Shares                 | W-7           | \$ 49,335                     |

At a special shareholder meeting on March 12, 2015, shareholders of MUJ, MJI, BPS and MPA approved their respective reorganization.

Reorganization costs incurred by MUJ, MJI and MPA in connection with their respective reorganizations were expensed by each respective Fund. The Manager reimbursed a portion of the reorganization costs for each Fund, which is shown as reorganization costs reimbursed by Manager in the Statements of Operations.

## Officers and Directors

Richard E. Cavanagh, Chairman of the Board and Director

Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Director

Michael J. Castellano, Director and Member of the Audit Committee

Frank J. Fabozzi, Director and Member of the Audit Committee

Kathleen F. Feldstein, Director

James T. Flynn, Director and Member of the Audit Committee

Jerrold B. Harris, Director

R. Glenn Hubbard, Director

W. Carl Kester, Director and Member of the Audit Committee

Barbara G. Novick, Director

John M. Perlowski, Director, President and Chief Executive Officer

Robert C. Crothers, Vice President

Neal Andrews, Chief Financial Officer

Jay Fife, Treasurer

Charles Park, Chief Compliance Officer

Janey Ahn, Secretary

Effective September 5, 2014, Brendan Kyne resigned as a Vice President of each Fund.

Effective December 31, 2014, Paul L. Audet and Henry Gabbay resigned as Directors of the Funds. Effective December 31, 2014, Barbara G. Novick and John M. Perlowski were appointed to serve as Directors of the Fund.

| <b>Investment Advisor</b>                       | <b>Custodian</b>  | <b>VRDP Tender and Paying Agent and VMTP Redemption and Paying Agent</b> | <b>Independent Registered Public Accounting Firm</b> | <b>Address of the Fund</b>                |
|---|---|--|--|---|
| BlackRock Advisors, LLC<br>Wilmington, DE 19809 | State Street Bank and Trust Company<br>Boston, MA 02110 | The Bank of New York Mellon<br>New York, NY 10289                        | Deloitte & Touche LLP<br>Boston, MA 02116            | 100 Bellevue Park<br>Wilmington, DE 19804 |
|   | <b>Transfer Agent</b>                                   | <b>VRDP Liquidity Providers</b>  | <b>Legal Counsel</b>                                 |   |
|   | Common Shares   | Citibank, N.A. <sup>1</sup>  | Skadden, Arps, Slate, Meagher & Flom LLP             |   |

Computershare Trust New York, NY 10179  
Company, N.A.

New York, NY 10036

Canton, MA 02021

Bank of America, N.A.<sup>2</sup>

New York, NY 10036

**VRDP Remarketing Agents**

Citigroup Global Markets Inc.<sup>1</sup>

New York, NY 10179

Merrill Lynch, Pierce, Fenner & Smith Incorporated<sup>2</sup>

New York, NY 10036

**Accounting Agent**

State Street Bank and  
Trust Company

Boston, MA 02110

<sup>1</sup> For MIY and MPA.

<sup>2</sup> For MUJ and MJJ.

## Additional Information

### Dividend Policy

Each Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

### General Information

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of each Fund has not been updated after completion of the respective Fund's offerings and the information contained in each Fund's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

### Electronic Delivery

Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder reports by enrolling in the electronic delivery program. Electronic copies of shareholder reports are available on BlackRock's website.

To enroll in electronic delivery:

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor. Please note that not all investment advisors, banks or brokerages may offer this service.

### Householding

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Funds at (800) 882-0052.

## Additional Information (continued)

### General Information (concluded)

#### Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

#### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available upon request and without charge (1) by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

#### Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

#### Availability of Fund Updates

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to check the website for updated performance information and the release of other material information about the Funds. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

### Shelf Offering Program

From time-to-time, each Fund may seek to raise additional equity capital through an equity shelf program (a Shelf Offering). In a Shelf Offering, a Fund may, subject to market conditions, raise additional equity capital by issuing new Common Shares from time to time in varying amounts at a net price at or above the Fund's net asset value (NAV) per Common Share (calculated within 48 hours of pricing). While any such Shelf Offering may allow a Fund to pursue additional investment opportunities without the need to sell existing portfolio investments, it could also entail risks including that the issuance of additional Common Shares may limit the extent to which the Common Shares are able to trade at a premium to NAV in the secondary market. The Funds have not filed a registration statement with respect to any Shelf Offerings. This report is not an offer to sell Fund Common Shares and is not a solicitation of an offer to buy Fund Common Shares. If a Fund files a registration statement with respect to any Shelf Offering, the prospectus contained therein will contain more complete information about the Fund and should be read carefully before investing.

## Additional Information (concluded)

### **BlackRock Privacy Principles**

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, **Clients** ) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following:

(i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.



This report is intended for current holders. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

MHMYINS6-1/15-SAR

Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies  
Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers  
Not Applicable

Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.

Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Exhibits attached hereto

(a)(1) Code of Ethics Not Applicable to this semi-annual report

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

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

BlackRock MuniHoldings California Quality Fund, Inc.

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

Date: April 2, 2015

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

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

Date: April 2, 2015

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

Date: April 2, 2015