

BLACKROCK MUNIYIELD QUALITY FUND, INC.

Form N-CSR

July 01, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-06660

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 04/30/2014

Date of reporting period: 04/30/2014

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Item 1 Report to Stockholders

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APRIL 30, 2014



ANNUAL REPORT

BlackRock MuniYield Fund, Inc. (MYD)

BlackRock MuniYield Quality Fund, Inc. (MQY)

BlackRock MuniYield Quality Fund II, Inc. (MQT)

Not FDIC Insured May Lose Value No Bank Guarantee

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Shareholder Letter

Dear Shareholder,

Markets have remained highly attuned to potential changes in U.S. monetary policy over the past year. This was markedly evident one year ago in May of 2013 when then-Federal Reserve Chairman Bernanke first mentioned the possibility of reducing (or tapering) the central bank's asset purchase programs' comments that were widely misinterpreted as signaling an end to the Fed's zero-interest-rate policy. U.S. Treasury yields rose sharply following his comments, triggering a steep sell-off across fixed income markets. (Bond prices move in the opposite direction of yields.) Global equities also suffered as investors feared the implications of a potential end to a program that had greatly supported stocks. Emerging markets, which are more sensitive to changes in global liquidity, were especially hurt by the prospect of ebbing cash flows from the United States. Markets broadly rebounded in late June, however, when the Fed's tone turned more dovish. At the same time, improving economic indicators and better corporate earnings helped extend gains through most of the summer.

Although the tone of economic and financial news was mixed last autumn, it was a surprisingly positive period for most asset classes. Early on, the Fed defied market expectations with its decision to delay tapering, but higher volatility returned in late September 2013 when the U.S. Treasury Department warned that the national debt would soon breach its statutory maximum. The ensuing political brinkmanship led to a partial government shutdown, roiling global financial markets through the first half of October. Equities and other so-called risk assets managed to resume their rally when politicians finally engineered a compromise to reopen the government and extend the debt ceiling.

The remainder of 2013 was a generally positive period for stock markets in the developed world, although investors continued to grapple with uncertainty about when and how much the Fed would scale back on stimulus. When the Fed ultimately announced its tapering plans in mid-December, markets reacted positively, as this action signaled the Fed's perception of real improvement in the economy, and investors were finally released from the anxiety that had gripped them for quite some time.

The start of the new year brought a stark change in sentiment. Heightened volatility in emerging markets' driven by reduced global liquidity, severe currency weakness, high levels of debt and uneven growth' combined with mixed U.S. economic data caused global equities to weaken in January while bond markets found renewed strength from investors seeking relatively safer assets. Although these headwinds persisted, equities were back on the rise in February as investors were encouraged by a one-year extension of the U.S. debt ceiling and market-friendly comments from new Fed Chair Janet Yellen. While U.S. economic data had softened, investors were assuaged by increasing evidence that this was a temporary trend resulting from harsher-than-usual winter weather.

In the final months of the period, signs of decelerating growth in China and geopolitical tensions in Russia and Ukraine made for a bumpy ride, but markets continued their climb as investors focused on improving U.S. economic data, stronger corporate earnings and a still-dovish central bank. Within developed markets, investors shifted from growth to value stocks as the strong performance of growth stocks in 2013 had pushed valuations higher in many of these sectors. Emerging markets also benefited from this broad rotation into cheaper valuations and were further supported by an improving growth outlook for a number of developing countries.

Even though investors were gearing up for a modest shift toward tighter monetary policy from the Fed, equity markets in the developed world posted solid gains for the six- and 12-month periods ended April 30. Emerging markets, however, experienced increased volatility amid heightened risks for the asset class. Interest rate uncertainty posed a headwind for fixed income assets, and higher-quality sectors of the market performed poorly over the reporting period. Conversely, high yield bonds benefited from income-oriented investors' search for yield in the overall low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

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

Sincerely,

Rob Kapito

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President, BlackRock Advisors, LLC

In a modest global growth environment, expectations around monetary policy changes continued to be a key theme in financial market performance.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of April 30, 2014

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	8.36%	20.44%
U.S. small cap equities (Russell 2000® Index)	3.08	20.50
International equities (MSCI Europe, Australasia, Far East Index)	4.44	13.35
Emerging market equities (MSCI Emerging Markets Index)	(2.98)	(1.84)
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.03	0.06
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	0.88	(5.25)
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	1.74	(0.26)
Tax-exempt municipal bonds (S&P Municipal Bond Index)	4.24	0.46
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	4.72	6.28

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Table of Contents**Municipal Market Overview****For the Reporting Period Ended April 30, 2014****Municipal Market Conditions**

After a strong start to 2013, the municipal market was upturned as investors reacted to statements issued by the U.S. Federal Reserve in May and June relating to the eventual reduction of its bond-buying stimulus program (which ultimately took effect in January 2014). The prospect of U.S. monetary policy tightening sooner than previously expected led to a sharp rise in interest rates and waning municipal bond performance. (Bond prices fall as rates rise.) Municipal bond mutual funds saw strong outflows through the remainder of 2013, before investors again sought the relative safety of the asset class in the New Year. For the 12-month period ended April 30, 2014, net outflows were approximately \$60 billion (based on data from the Investment Company Institute).

High levels of interest rate volatility, particularly on the long-end of the curve resulted in a sharp curtailment of tax-exempt issuance in May of 2013 through the end of the period. However, from a historical perspective, total new issuance for the 12 months ended April 30, 2014 remained relatively strong at \$300 billion (but meaningfully lower than the \$388 billion issued in the prior 12-month period). A significant portion of new supply during this period was attributable to refinancing activity (roughly 40%) as issuers took advantage of lower interest rates to reduce their borrowing costs.

S&P Municipal Bond Index	
Total Returns as of April 30, 2014	
6 months :	4.24%
12 months :	0.46%

A Closer Look at Yields

From April 30, 2013 to April 30, 2014, muni yields increased by 65 basis points (bps) from 2.84% to 3.49% on AAA-rated 30-year municipal bonds, while increasing 61 bps from 1.69% to 2.30% on 10-year bonds and rising another 49 bps from 0.74% to 1.23% on 5-year issues (as measured by Thomson Municipal Market Data). Overall, the municipal yield curve remained relatively steep over the 12-month period as the spread between 2- and 30-year maturities widened by 59 bps and the spread between 2- and 10-year maturities widened by 55 bps.

During the same time period, U.S. Treasury rates rose by 58 bps on 30-year and 98 bps on 10-year bonds, while moving up 100 bps in 5-years. Accordingly, tax-exempt municipal bonds underperformed Treasuries on the long end of the yield curve as investors sought to reduce interest rate risk later in the period. On the short and intermediate parts of the curve, the outperformance of municipal bonds versus Treasuries was driven largely by a supply/demand imbalance within the municipal market and a rotation from long-duration assets (which are more sensitive to interest rate movements) into short- and intermediate-duration investments (which are less sensitive to interest rate movements). Additionally, municipal bonds benefited from the increased appeal of tax-exempt investing in the new higher tax rate environment. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise. The municipal market continues to be an attractive avenue for investors seeking yield in today's environment. However, opportunities have not been as broad-based as in 2011 and 2012, warranting a more tactical approach going forward.

Financial Conditions of Municipal Issuers Continue to Improve

Following an extended period of nation-wide austerity and de-leveraging as states sought to balance their budgets, 15 consecutive quarters of positive revenue growth coupled with the elimination of more than 750,000 jobs in recent years have put state and local governments in a better financial position. Many local municipalities, however, continue to face increased health care and pension costs passed down from the state level. BlackRock maintains the view that municipal bond defaults will be minimal and remain in the periphery, and that the overall market is fundamentally sound. We continue to recognize that careful credit research, appropriate structure and security selection remain imperative amid uncertainty in a modestly improving economic environment.

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The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's shareholders will benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Fund's financing cost of leverage are 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 or dividends and other costs of leverage exceed the Fund's return on assets purchased with leverage proceeds, income to shareholders will be lower than if the Fund had not used leverage. Furthermore, the value of the Fund's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Fund's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Fund's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Fund's Common Shares than if the Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Fund to incur losses. The use of leverage may limit the Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The Fund will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

To obtain leverage, each Fund has issued Variable Rate Demand Preferred Shares (VRDP Shares) or Variable Rate Muni Term Preferred Shares (VMTP 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% 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.

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, interest rate and/or other risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset,

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possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Table of Contents**Fund Summary** as of April 30, 2014**BlackRock MuniYield Fund, Inc.****Fund Overview**

BlackRock MuniYield Fund, Inc.'s (MYD) (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 bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Fund invests, under normal market conditions, at least 75% of its assets in municipal bonds rated investment grade and invests primarily in long-term municipal bonds with a maturity of more than ten years at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12-month period ended April 30, 2014, the Fund returned (6.38)% based on market price and (1.21)% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (5.00)% based on market price and (0.78)% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

As interest rates moved sharply higher early in the period, the Fund's duration exposure (sensitivity to interest rate movements) was the most significant detractor from performance. (Bond prices fall when rates rise.) The Fund's state and local tax-backed and transportation holdings generally produced negative returns for the period. In the beginning of the period, the Fund's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially due to investors' lack of confidence and a weak local economy. The Fund sold its exposure to these securities during the period. Additionally, the Fund's various holdings of higher quality investment grade bonds generated modestly negative returns.

During a period in which interest rates increased in the earlier half and declined in the latter half, the additional income afforded by the Fund's use of leverage, a persistently low cost of borrowing and the Fund's emphasis on credit exposure helped mitigate much of the market-related volatility. The Fund benefited from holding unrated as well as low investment grade and non-investment grade bonds, which exhibited superior performance compared to higher quality investment grade bonds during the period. The Fund's concentrations in education, health care, utilities and corporate-related debt also had a positive impact on results.

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)	MYD
Initial Offering Date	November 29, 1991
Yield on Closing Market Price as of April 30, 2014 (\$14.14) ¹	6.83%
Tax Equivalent Yield ²	12.07%
Current Monthly Distribution per Common Share ³	\$0.0805
Current Annualized Distribution per Common Share ³	\$0.9660
Economic Leverage as of April 30, 2014 ⁴	38%

¹ 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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- ² 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.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

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BlackRock MuniYield Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	4/30/14	4/30/13	Change	High	Low
Market Price	\$14.14	\$16.24	(12.93)%	\$16.30	\$12.30
Net Asset Value	\$14.71	\$16.01	(8.12)%	\$16.06	\$12.99

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

Overview of the Fund's Long-Term Investments

Sector Allocation	4/30/14	4/30/13
Health	21%	22%
Transportation	20	21
Education	13	11
State	12	13
Corporate	11	9
County/City/Special District/School District	10	11
Utilities	10	12
Tobacco	3	1

Credit Quality Allocation¹	4/30/14	4/30/13
AAA/Aaa	9%	9%
AA/Aa	41	43
A	28	29
BBB/Baa	10	9
BB/Ba	2	1
B	4	2
CCC/Caa		1
Not Rated ²	6	6

¹ Using the higher of Standard & Poor's (S&P's) or Moody's Investor Service (Moody's) ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of April 30, 2014 and April 30, 2013, the market value of these securities was \$9,493,537 and \$8,883,640, each representing 1%, respectively, of the Fund's long-term investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,	
2014	8%
2015	4

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2016	5
2017	4
2018	6

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

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Table of Contents**Fund Summary** as of April 30, 2014**BlackRock MuniYield Quality Fund, Inc.****Fund Overview**

BlackRock MuniYield Quality Fund, Inc. s (MQY) (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 bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Fund invests in municipal bonds which are in the three highest quality rating categories (A or better) or, if unrated, of comparable quality at the time of investment. The Fund invests primarily in long-term municipal bonds with maturities of more than ten years at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12-month period ended April 30, 2014, the Fund returned (6.23)% based on market price and 0.04% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (5.00)% based on market price and (0.78)% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Fund moved from a premium to NAV to a discount by period end, 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 benefited from the accrual of income generated from coupon payments on its municipal bond holdings.

The largest detractor from performance was the Fund s duration exposure (sensitivity to interest rate movements) as tax-exempt municipal rates increased significantly during the first half of the period. (Bond prices fall when rates rise.) During the second half of the period, however, intermediate and long-term rates fell, resulting in less significant rate increases for the overall annual period. The Fund s exposure to the long-end of the yield curve also detracted from performance, especially in the first half of the period when shorter rates (two to five years) rose less than long rates (twenty years and longer). In the beginning of the period, the Fund s exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially due to investors lack of confidence and a weak local economy. The Fund sold its exposure to these securities early in the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on NYSE	MQY
Initial Offering Date	June 26, 1992
Yield on Closing Market Price as of April 30, 2014 (\$14.84) ¹	6.47%
Tax Equivalent Yield ²	11.43%
Current Monthly Distribution per Common Share ³	\$0.08
Current Annualized Distribution per Common Share ³	\$0.96
Economic Leverage as of April 30, 2014 ⁴	38%

¹ 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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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.

³ The distribution rate is not constant and is subject to change.

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

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BlackRock MuniYield Quality Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	4/30/14	4/30/13	Change	High	Low
Market Price	\$14.84	\$16.94	(12.40)%	\$17.24	\$13.05
Net Asset Value	\$15.73	\$16.83	(6.54)%	\$16.89	\$14.00

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

Overview of the Fund's Long-Term Investments

Sector Allocation	4/30/14	4/30/13
County/City/Special District/School District	32%	24%
Transportation	21	21
Utilities	16	16
State	15	19
Health	8	10
Education	5	6
Housing	2	3
Corporate	1	1

Credit Quality Allocation¹	4/30/14	4/30/13
AAA/Aaa	10%	10%
AA/Aa	63	61
A	24	27
BBB/Baa	3	1
Not Rated		1 ²

¹ Using the higher of S&P's or Moody's ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of April 30, 2013, the market value of these securities was \$2,950,141, representing less than 1% of the Fund's long-term investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2014	5%
2015	9
2016	3
2017	12
2018	15

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

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Table of Contents**Fund Summary** as of April 30, 2014**BlackRock MuniYield Quality Fund II, Inc.****Fund Overview**

BlackRock MuniYield Quality Fund II, Inc.'s (MQT) (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 bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Fund invests in municipal bonds which are in the three highest quality rating categories (A or better) or, if unrated, of comparable quality at the time of investment. The Fund invests primarily in long-term municipal bonds with maturities of more than ten years at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12-month period ended April 30, 2014, the Fund returned (4.04)% based on market price and 0.55% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (5.00)% based on market price and (0.78)% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Fund benefited from the accrual of income generated from coupon payments on its municipal bond holdings. Additionally, short positions in U.S. Treasury futures contracts used to manage interest rate risk had a positive impact on the Fund's performance for the period.

The largest detractor from performance was the Fund's duration exposure (sensitivity to interest rate movements) as tax-exempt municipal rates increased significantly during the first half of the period. (Bond prices fall when rates rise.) During the second half of the period, however, intermediate and long-term rates fell, resulting in less significant rate increases for the overall annual period. The Fund's exposure to the long-end of the yield curve also detracted from performance, especially in the first half of the period when shorter rates (two to five years) rose less than long rates (twenty years and longer). In the beginning of the period, the Fund's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially due to investors' lack of confidence and a weak local economy. The Fund sold its exposure to these securities early in the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on NYSE	MQT
Initial Offering Date	August 28, 1992
Yield on Closing Market Price as of April 30, 2014 (\$12.91) ¹	6.55%
Tax Equivalent Yield ²	11.57%
Current Monthly Distribution per Common Share ³	\$0.0705
Current Annualized Distribution per Common Share ³	\$0.8460
Economic Leverage as of April 30, 2014 ⁴	38%

¹ 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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- ² 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.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

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BlackRock MuniYield Quality Fund II, Inc.

Market Price and Net Asset Value Per Share Summary

	4/30/14	4/30/13	Change	High	Low
Market Price	\$12.91	\$14.41	(10.41)%	\$14.81	\$11.25
Net Asset Value	\$13.78	\$14.68	(6.13)%	\$14.73	\$12.30

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

Overview of the Fund's Long-Term Investments

Sector Allocation	4/30/14	4/30/13
County/City/Special District/School District	29%	28%
Transportation	22	22
State	16	17
Utilities	12	12
Health	10	11
Education	8	6
Housing	2	3
Corporate	1	1
Credit Quality Allocation¹	4/30/14	4/30/13
AAA/Aaa	7%	8%
AA/Aa	70	68
A	20	21
BBB/Baa	3	2
Not Rated		1 ²

¹ Using the higher of S&P's or Moody's ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of April 30, 2013, the market value of these securities was \$2,695,818, representing less than 1% of the Fund's long-term investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,	
2014	7%
2015	7
2016	5
2017	11
2018	12

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

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Schedule of Investments April 30, 2014

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 2.8%		
County of Jefferson Alabama, RB, Limited Obligation School, Series A, 5.50%, 1/01/22	\$ 5,250	\$ 5,250,577
County of Jefferson Alabama Sewer, Refunding RB:		
Convertible CAB, Senior Lien, Series C (AGM), 6.50%, 10/01/38 (a)	1,215	738,404
Convertible CAB, Senior Lien, Series C (AGM), 6.60%, 10/01/42 (a)	1,060	640,092
Senior Lien, Series A (AGM), 5.00%, 10/01/44	1,665	1,689,559
Senior Lien, Series A (AGM), 5.25%, 10/01/48	3,175	3,265,583
Sub-Lien, Series D, 6.00%, 10/01/42	7,410	7,816,809
		19,401,024
Alaska 1.0%		
Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A:		
4.63%, 6/01/23	2,050	1,978,352
5.00%, 6/01/46	6,450	4,682,442
		6,660,794
Arizona 3.9%		
County of Maricopa Arizona IDA, RB, Arizona Charter Schools Project, Series A, 6.75%, 7/01/29	2,800	2,561,608
Phoenix IDA Arizona, Refunding RB, America West Airlines, Inc. Project, AMT:		
6.25%, 6/01/19	3,000	3,000,960
6.30%, 4/01/23	5,090	5,100,333
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	7,365	8,069,609
5.00%, 12/01/37	5,000	5,476,150
Vistancia Community Facilities District Arizona, GO, 5.75%, 7/15/24	2,125	2,176,786
		26,385,446
California 10.0%		
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 7/01/39	4,425	5,093,883
Sutter Health, Series B, 6.00%, 8/15/42	6,465	7,658,310
Municipal Bonds		
California (continued)		
California Health Facilities Financing Authority, Refunding RB, Series A:		
Catholic Healthcare West, 6.00%, 7/01/34	\$ 3,155	\$ 3,559,850
St. Joseph Health System, 5.00%, 7/01/33	2,560	2,800,000
California Pollution Control Financing Authority, RB (b):		
County of San Diego California Water Authority Desalination Project Pipeline, 5.00%, 11/21/45	2,510	2,510,552
Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 7/01/37	3,465	3,473,974
Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 11/21/45	1,650	1,617,346
California State Public Works Board, LRB, Various Capital Projects:		
Series I, 5.00%, 11/01/38	1,605	1,720,351
Sub-Series I-1, 6.38%, 11/01/34	2,385	2,859,830
California Statewide Communities Development Authority, RB, John Muir Health, Series A, 5.13%, 7/01/39		
California Statewide Communities Development Authority, Refunding RB, Episcopal Communities & Services:		
5.00%, 5/15/42	585	589,996
5.00%, 5/15/47	735	740,138
California Statewide Financing Authority, RB, Tobacco Settlement, Series A, 6.00%, 5/01/43	3,285	3,282,733
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A, 5.25%, 5/15/39		
	1,605	1,808,129
City of Stockton California Public Financing Authority, ARB, Delta Water Supply Project, Series A, 6.25%, 10/01/40		
	335	374,681

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City of Stockton California Public Financing Authority, RB, Delta Water Supply Project,
Series A, 6.25%, 10/01/38

405

450,688

Portfolio Abbreviations

AGC	Assured Guaranty Corp.	HDA	Housing Development Authority
AGM	Assured Guaranty Municipal Corp.	HFA	Housing Finance Agency
AMBAC	American Municipal Bond Assurance Corp.	HRB	Housing Revenue Bonds
AMT	Alternative Minimum Tax (subject to)	IDA	Industrial Development Authority
ARB	Airport Revenue Bonds	ISD	Industrial Development Authority
BARB	Building Aid Revenue Bonds	LRB	Lease Revenue Bonds
BHAC	Berkshire Highway Assurance Corp.	M/F	Multi-Family
CAB	Capital Appreciation Bonds	NPFGC	National Public Finance Guarantee Corp.
COP	Certificates of Participation	PSF-GTD	Permanent School Fund Guaranteed
EDA	Economic Development Authority	Radian	Radian Financial Guaranty
EDC	Economic Development Corp.	RB	Revenue Bonds
ERB	Education Revenue Bonds	S/F	Single-Family
GAB	Grant Anticipation Bonds	SO	Special Obligation
GARB	General Airport Revenue Bonds	Syncora	Syncora Guarantee
GO	General Obligation Bonds		

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
California (concluded)		
San Diego Community College District California, GO, Election of 2006, 5.00%, 8/01/43	\$ 2,190	\$ 2,413,030
State of California, GO:		
(AMBAC), 5.00%, 4/01/31	10	10,037
Various Purposes, 6.00%, 3/01/33	5,085	6,094,576
Various Purposes, 6.50%, 4/01/33	14,075	17,153,625
Tobacco Securitization Authority of Southern California, Refunding RB, Tobacco Settlement, Asset-Backed, Senior Series A-1, 4.75%, 6/01/25	2,175	2,124,540
		68,789,081
Colorado 2.3%		
Colorado Health Facilities Authority, Refunding RB, Evangelical Lutheran Good Samaritan Society Project, 5.00%, 12/01/42	3,580	3,636,958
Plaza Metropolitan District No. 1 Colorado, Tax Allocation Bonds, Public Improvement Fee, Tax Increment, 8.00%, 6/01/14 (c)	6,850	6,896,237
University of Colorado, RB, Series A:		
5.25%, 6/01/30	2,250	2,601,563
5.38%, 6/01/32	1,250	1,446,763
5.38%, 6/01/38	830	949,445
		15,530,966
Connecticut 1.6%		
Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, Series A, 5.00%, 11/15/40	2,770	2,950,327
Connecticut State Health & Educational Facility Authority, Refunding RB, Wesleyan University:		
5.00%, 7/01/39	5,000	5,430,050
Series G, 5.00%, 7/01/35	2,225	2,433,171
		10,813,548
Delaware 1.6%		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40	2,305	2,466,696
Delaware State EDA, RB, Exempt Facilities, Indian River Power LLC Project, 5.38%, 10/01/45	8,275	8,443,230
		10,909,926
District of Columbia 3.1%		
District of Columbia, Tax Allocation Bonds, City Market at O Street Project, 5.13%, 6/01/41	4,440	4,614,803
Metropolitan Washington Airports Authority, Refunding RB:		
1st Senior Lien, Series A, 5.25%, 10/01/44	2,425	2,550,785
CAB, 2nd Senior Lien, Series B (AGC), 0.00%, 10/01/31 (d)	8,350	3,532,467
CAB, 2nd Senior Lien, Series B (AGC), 0.00%, 10/01/32 (d)	15,000	5,921,850
CAB, 2nd Senior Lien, Series B (AGC), 0.00%, 10/01/33 (d)	13,410	4,939,171
		21,559,076
Municipal Bonds		
Florida 7.1%		
City of Atlantic Beach Florida, RB, Health Care Facilities, Fleet Landing Project, Series B, 5.63%, 11/15/43	\$ 2,805	\$ 2,934,507
City of Clearwater Florida Water & Sewer Revenue, RB, Series A, 5.25%, 12/01/39	6,900	7,417,017
County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/34	2,155	2,415,108
County of Hillsborough Florida IDA, RB, National Gypsum Co. AMT:		
Series A, 7.13%, 4/01/30	7,500	7,533,750
Series B, 7.13%, 4/01/30	5,000	5,003,950
	7,530	8,170,728

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County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport, Series

A-1, 5.38%, 10/01/41

County of Tampa-Hillsborough Florida Expressway Authority, Refunding RB, Series A,
5.00%, 7/01/37

1,310 1,399,512

Mid-Bay Bridge Authority, RB, Springing Lien, Series A, 7.25%, 10/01/40

6,150 7,014,997

Midtown Miami Community Development District, Special Assessment Bonds, Series B,
6.50%, 5/01/37

4,895 4,913,552

Santa Rosa Bay Bridge Authority, RB, 6.25%, 7/01/28 (e)(f)

4,226 1,731,771

48,534,892

Georgia 1.4%

DeKalb Private Hospital Authority, Refunding RB, Children s Healthcare, 5.25%, 11/15/39

1,700 1,884,110

Metropolitan Atlanta Rapid Transit Authority, RB, Sales Tax, 3rd Indenture, Series A,
5.00%, 7/01/39

6,945 7,552,687

9,436,797

Hawaii 0.4%

State of Hawaii Harbor System, RB, Series A, 5.25%, 7/01/30

2,760 3,046,736

Idaho 1.5%

County of Power Idaho Industrial Development Corp., RB, FMC Corp. Project, AMT,
6.45%, 8/01/32

10,000 10,013,600

Illinois 16.9%

Bolingbrook Special Service Area No. 1, Special Tax Bonds, Forest City Project, 5.90%,
3/01/27

1,000 947,200

City of Chicago Illinois, GARB, O Hare International Airport 3rd Lien:

Series A, 5.63%, 1/01/35

4,200 4,570,188

Series A, 5.75%, 1/01/39

3,500 3,820,985

Series C, 6.50%, 1/01/41

11,920 13,830,061

City of Chicago Illinois, GO, Series A:

Project, 5.00%, 1/01/34

6,515 6,576,502

Refunding, 5.25%, 1/01/32

6,390 6,629,944

City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38

1,660 1,760,878

City of Chicago Illinois Board of Education, GO, Series A, 5.25%, 12/01/41

9,280 9,308,304

City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40

2,130 2,273,924

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Illinois (concluded)		
City of Chicago Illinois Waterworks, Refunding RB, 2nd Lien Project, 5.00%, 11/01/42	\$ 6,030	\$ 6,223,864
County of Cook Illinois Community College District No. 508, GO, City College of Chicago, 5.50%, 12/01/38	1,635	1,802,604
Illinois Finance Authority, Refunding RB:		
Ascension Health, Series A, 5.00%, 11/15/37	1,970	2,114,362
Ascension Health, Series A, 5.00%, 11/15/42	3,575	3,808,090
Central Dupage Health, Series B, 5.50%, 11/01/39	3,235	3,591,497
Illinois State Toll Highway Authority, RB, Series A, 5.00%, 1/01/38	4,720	4,977,712
Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project:		
CAB, Series B (AGM), 0.00%, 6/15/47 (d)	27,225	4,426,240
Series B (AGM), 5.00%, 6/15/50	12,435	12,686,933
Series B-2, 5.00%, 6/15/50	5,085	5,186,802
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	2,730	3,181,542
6.00%, 6/01/28	2,335	2,709,581
State of Illinois, GO:		
5.50%, 7/01/38	4,000	4,363,480
5.00%, 2/01/39	3,195	3,309,541
Series A, 5.00%, 4/01/38	2,510	2,597,549
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	1,275	1,413,223
University of Illinois, RB, Auxiliary Facilities System, Series A:		
5.00%, 4/01/39	1,675	1,798,213
5.00%, 4/01/44	2,045	2,183,385
		116,092,604
Indiana 5.4%		
Carmel Redevelopment Authority, Refunding RB, Multipurpose, Series A, 4.00%, 2/01/38	1,950	1,955,343
City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT:		
6.75%, 1/01/34	1,635	1,753,554
7.00%, 1/01/44	3,950	4,263,235
Indiana Finance Authority, RB, Series A:		
CWA Authority Project, 1st Lien, 5.25%, 10/01/38	6,665	7,329,700
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/44	910	918,873
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/48	3,015	3,054,647
Sisters of St. Francis Health Services, 5.25%, 11/01/39	1,690	1,785,722
Indiana Finance Authority, Refunding RB, Series A:		
Community Health Network Project, 5.00%, 5/01/42	3,495	3,646,858
Parkview Health System, 5.75%, 5/01/31	6,645	7,214,543
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	2,230	2,503,866
	Par (000)	Value
Municipal Bonds		
Indiana (concluded)		
Indianapolis Local Public Improvement Bond Bank, RB, Series A, 5.00%, 1/15/40	\$ 2,580	\$ 2,787,690
		37,214,031
Iowa 2.5%		
Iowa Finance Authority, RB, Midwestern Disaster Area, Alcoa, Inc. Project, 4.75%, 8/01/42	1,830	1,731,930
Iowa Finance Authority, Refunding RB, Midwestern Disaster Area, Iowa Fertilizer Co. Project:		
5.00%, 12/01/19	1,950	1,973,595
5.50%, 12/01/22	4,765	4,841,860
5.25%, 12/01/25	940	939,633
Iowa Student Loan Liquidity Corp., Refunding RB, Student Loan, Senior Series A-1, AMT,		
5.15%, 12/01/22	3,475	3,630,020
Iowa Tobacco Settlement Authority, Refunding RB, Asset-Backed, Series C, 5.63%, 6/01/46	4,970	4,230,663

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		17,347,701
Kansas 0.7%		
Kansas Development Finance Authority, Refunding RB, Adventist Health, Series C, 5.75%, 11/15/38	4,380	4,893,511
Kentucky 0.5%		
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/45	2,055	2,208,776
Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C, 6.75%, 7/01/43 (a)	2,485	1,513,191
		3,721,967
Louisiana 3.4%		
East Baton Rouge Sewerage Commission, RB, Series A, 5.25%, 2/01/39	1,610	1,750,666
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, 6.75%, 11/01/32	9,000	9,987,750
New Orleans Aviation Board, RB, Passenger Facility Charge, Series A, 5.25%, 1/01/41	1,260	1,314,432
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A: 5.50%, 5/15/30	2,055	2,221,003
5.25%, 5/15/31	1,750	1,851,692
5.25%, 5/15/32	2,240	2,356,122
5.25%, 5/15/33	2,430	2,549,264
5.25%, 5/15/35	1,025	1,075,738
		23,106,667
Maine 0.5%		
Maine Health & Higher Educational Facilities Authority, RB, Series A, 5.00%, 7/01/39	3,140	3,286,638
Maryland 0.8%		
County of Prince George s Maryland, SO, Remarketing, National Harbor Project, 5.20%, 7/01/34	1,500	1,506,315

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Maryland (concluded)		
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35	\$ 880	\$ 916,705
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	2,400	2,567,736
Maryland Industrial Development Financing Authority, RB, Our Lady Of Good Counsel School, Series A, 6.00%, 5/01/15 (c)	500	527,925
		5,518,681
Massachusetts 2.0%		
Massachusetts Bay Transportation Authority, Refunding RB, Senior Series A-1, 5.25%, 7/01/29	3,250	3,966,495
Massachusetts Development Finance Agency, Refunding RB:		
Covanta Energy Project, Series C, AMT, 5.25%, 11/01/42	4,565	4,589,606
Seven Hills Foundation & Affiliates (Radian), 5.00%, 9/01/35	3,500	3,427,830
Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare System, Series J1, 5.00%, 7/01/39	1,640	1,752,389
		13,736,320
Michigan 4.9%		
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien:		
Series A, 5.00%, 7/01/32	3,175	3,064,510
Series A, 5.25%, 7/01/39	8,995	8,749,436
Series B (AGM), 7.50%, 7/01/33	1,835	1,990,865
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36	2,795	2,954,986
Royal Oak Hospital Finance Authority, Refunding RB, William Beaumont Hospital (c): 8.25%, 9/01/18	6,365	7,806,800
Series V, 8.00%, 9/01/18	2,000	2,457,880
State of Michigan Hospital Finance Authority, Refunding RB, Henry Ford Health, 5.75%, 11/15/39	6,085	6,522,025
		33,546,502
Minnesota 0.1%		
City of Minneapolis Minnesota, HRB, Gaar Scott Loft Project, AMT, 5.95%, 5/01/30 (g)	785	787,590
Mississippi 0.0%		
University of Southern Mississippi, RB, Campus Facilities Improvements Project, 5.38%, 9/01/36	280	302,789
Missouri 0.2%		
Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Refunding RB, Combined Lien, Series A, 5.00%, 10/01/44	510	551,438
State of Missouri Health & Educational Facilities Authority, Refunding RB, St. Louis College of Pharmacy Project, 5.50%, 5/01/43	510	539,284
		1,090,722
Municipal Bonds		
Nebraska 0.4%		
Central Plains Energy Project Nebraska, RB, Gas Project No. 3:		
5.25%, 9/01/37	\$ 1,670	\$ 1,766,860
5.00%, 9/01/42	925	956,145
		2,723,005
New Jersey 3.3%		
New Jersey EDA, RB:		
1st Mortgage, Lions Gate Project, Series A, 5.75%, 1/01/25	710	712,016
1st Mortgage, Lions Gate Project, Series A, 5.88%, 1/01/37	230	228,199
Continental Airlines, Inc. Project, AMT, 5.25%, 9/15/29	975	985,364
Kapkowski Road Landfill Project, Series B, AMT, 6.50%, 4/01/31	2,500	2,859,575
New Jersey State Turnpike Authority, RB, Series A:		

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5.00%, 1/01/38	1,355	1,451,490
5.00%, 1/01/43	1,835	1,955,119
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
CAB, Series C (AMBAC), 0.00%, 12/15/35 (d)	8,110	2,775,729
Series A, 5.50%, 6/15/41	3,630	3,990,459
Series B, 5.25%, 6/15/36	4,990	5,414,998
Rutgers The State University of New Jersey, Refunding RB, Series L:		
5.00%, 5/01/38	1,025	1,131,190
5.00%, 5/01/43	1,065	1,165,920
		22,670,059
New York 6.0%		
City of New York New York Industrial Development Agency, ARB, British Airways PLC Project, AMT, 7.63%, 12/01/32		
	1,250	1,256,362
City of New York New York Transitional Finance Authority, Future Tax Secured Bonds, RB, Fiscal 2012, Sub-Series E-1, 5.00%, 2/01/42		
	4,985	5,376,223
County of Dutchess New York IDA, Refunding RB, St. Francis Hospital, Series A, 7.50%, 3/01/29 (e)(f)		
	2,000	1,819,800
County of Oneida New York Industrial Development Agency, RB, Hamilton College Civic Facility, 5.00%, 9/15/26		
	1,990	2,195,308
Metropolitan Transportation Authority, RB, Series B:		
5.25%, 11/15/38	4,960	5,459,869
5.25%, 11/15/39	1,765	1,944,412
Metropolitan Transportation Authority, Refunding RB, Dedicated Tax Fund, Series B, 5.00%, 11/15/34		
	4,910	5,396,925
New York Liberty Development Corp., Refunding RB, 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49		
	2,480	2,697,298
New York State Dormitory Authority, RB, Series F:		
5.00%, 3/15/15 (c)	75	78,133
5.00%, 3/15/35	6,305	6,533,808
New York State Dormitory Authority, Refunding RB, General Purpose, Series A, 5.00%, 6/15/31		
	3,595	4,027,443

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
New York (concluded)		
Port Authority of New York & New Jersey, ARB, Special Project, JFK International Air Terminal LLC Project, Series 8:		
6.00%, 12/01/36	\$ 2,625	\$ 2,887,159
6.00%, 12/01/42	1,485	1,630,634
		41,303,374
North Carolina 2.4%		
North Carolina Capital Facilities Finance Agency, Refunding RB, Solid Waste Disposal Facility, Duke Energy Carolinas Project, Series B, 4.63%, 11/01/40		
	3,675	3,795,797
North Carolina Medical Care Commission, RB, Health Care Facilities, Duke University Health System, Series A, 5.00%, 6/01/42		
	2,805	3,055,627
North Carolina Medical Care Commission, Refunding RB:		
1st Mortgage, Aldersgate, 6.25%, 7/01/35	2,970	3,059,456
1st Mortgage, Presbyterian Homes, 5.40%, 10/01/27	5,000	5,021,100
First Mortgage, Retirement Facilities Whitestone Project, Series A, 7.75%, 3/01/41	1,210	1,331,436
		16,263,416
Ohio 0.6%		
County of Franklin Ohio, RB, Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A, 6.13%, 7/01/40		
	1,380	1,445,260
County of Montgomery Ohio, Refunding RB, Catholic Health, Series A, 5.00%, 5/01/39		
	2,840	2,928,637
		4,373,897
Pennsylvania 2.8%		
Allentown Neighborhood Improvement Zone Development Authority, Refunding RB, Series A, 5.00%, 5/01/42		
	5,250	5,256,877
City of Philadelphia Pennsylvania IDA, RB, Commercial Development, AMT, 7.75%, 12/01/17		
	1,265	1,268,428
Pennsylvania Economic Development Financing Authority, RB:		
Aqua Pennsylvania, Inc. Project, Series B, 5.00%, 11/15/40	3,805	4,037,029
National Gypsum Co., Series A, AMT, 6.25%, 11/01/27	2,000	2,000,300
Pennsylvania Higher Educational Facilities Authority, RB, Shippensburg University Student Services, Student Housing, 5.00%, 10/01/44		
	1,890	1,886,995
Pennsylvania Turnpike Commission, RB, Series A, 5.00%, 12/01/44		
	2,305	2,477,529
Philadelphia Hospitals & Higher Education Facilities Authority, RB, Temple University Health System, Series A, 5.63%, 7/01/42		
	2,560	2,446,746
		19,373,904
Rhode Island 0.4%		
Central Falls Detention Facility Corp., Refunding RB, 7.25%, 7/15/35		
	4,155	3,045,199
Municipal Bonds		
South Carolina 3.8%		
Charleston Educational Excellence Finance Corp., RB (AGC) (c):		
5.25%, 12/01/15	\$ 7,795	\$ 8,410,649
5.25%, 12/01/15	6,920	7,466,542
5.25%, 12/01/15	2,510	2,708,240
South Carolina State Ports Authority, RB, 5.25%, 7/01/40	6,695	7,140,619
		25,726,050
Tennessee 1.3%		
City of Chattanooga Tennessee Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/45		
	2,855	3,068,640
County of Hardeman Tennessee Correctional Facilities Corp., RB, 7.75%, 8/01/17		
	2,030	2,011,344
Metropolitan Government Nashville & Davidson County Health & Educational Facility Board, Refunding RB, Vanderbilt University, Series D, 3.25%, 10/01/37		
	4,530	4,148,393

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		9,228,377
Texas 10.5%		
Central Texas Regional Mobility Authority, Refunding RB:		
Senior Lien, 6.25%, 1/01/46	4,365	4,776,925
Sub-Lien, 5.00%, 1/01/33	725	727,581
Sub-Lien, 5.00%, 1/01/42	645	627,063
City of Dallas Texas Waterworks & Sewer System, Refunding RB, 5.00%, 10/01/35	3,060	3,431,270
City of Houston Texas Airport System, RB, Special Facilities Continental Airlines Inc., AMT Series E:		
7.38%, 7/01/22	3,500	3,500,910
6.75%, 7/01/29	4,520	4,521,356
7.00%, 7/01/29	3,000	3,000,840
City of Houston Texas Airport System, Refunding ARB, Senior Lien, Series A, 5.50%, 7/01/39	3,100	3,503,434
Clifton Higher Education Finance Corp., RB, Idea Public Schools, 6.00%, 8/15/43	1,525	1,697,035
County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B:		
6.38%, 1/01/33	460	488,065
7.00%, 1/01/43	485	518,033
County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29		
	4,320	4,891,234
Fort Bend County Industrial Development Corp., RB, NRG Energy Project, Series B, 4.75%, 11/01/42		
	410	400,607
La Vernia Higher Education Finance Corp., RB, Kipp, Inc., Series A, 6.38%, 8/15/44	1,000	1,110,170
North Texas Tollway Authority, RB, CAB, Special Project System, Series B, 0.00%, 9/01/37 (d)	4,110	1,149,033
North Texas Tollway Authority, Refunding RB, 2nd Tier System, Series F, 6.13%, 1/01/31	12,140	13,005,582
San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/25	6,365	7,303,837

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Texas (concluded)		
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:		
LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	\$ 6,000	\$ 6,956,880
NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	6,655	7,596,150
Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series A, 5.00%, 8/15/41	2,445	2,511,626
		71,717,631
Virginia 2.1%		
County of James City Virginia EDA, Refunding RB, 1st Mortgage, Williamsburg Lodge, Series A:		
5.35%, 9/01/26	1,500	1,519,995
5.50%, 9/01/34	2,000	2,014,160
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings LLC Project, AMT:		
5.25%, 1/01/32	3,270	3,425,881
6.00%, 1/01/37	5,905	6,403,677
Winchester Industrial Development Authority, RB, Westminster-Canterbury, Series A, 5.20%, 1/01/27	1,000	1,006,210
		14,369,923
Washington 1.1%		
Vancouver Housing Authority, HRB, M/F Housing, Teal Pointe Apartments Project, AMT:		
6.00%, 9/01/22	875	875,140
6.20%, 9/01/32	1,250	1,249,850
Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 1/01/45	4,745	5,270,888
		7,395,878
Wisconsin 3.2%		
State of Wisconsin, Refunding RB, Series A, 6.00%, 5/01/36	14,300	16,730,714
State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33	4,970	5,454,426
		22,185,140
Wyoming 1.1%		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 7/15/26		
	6,195	6,744,434
Wyoming Municipal Power Agency, Inc., RB, Series A, 5.00%, 1/01/42	595	611,910
		7,356,344
Total Municipal Bonds 113.6%		779,459,806
Municipal Bonds Transferred to Tender Option Bond Trusts (h)		
Alabama 0.7%		
City of Birmingham Alabama Special Care Facilities Financing Authority, Refunding RB, Ascension Health, Senior Credit, Series C-2, 5.00%, 11/15/36		
	\$ 4,538	\$ 4,670,005
California 8.0%		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44		
	6,581	7,201,600
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (i)		
	5,310	6,020,159
City & County of San Francisco California Public Utilities Commission, RB, Water Revenue, Series B, 5.00%, 11/01/39		
	19,080	21,042,187
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Senior Series A, 5.00%, 5/15/40		
	11,977	12,909,267
	4,650	5,154,014

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Los Angeles Community College District California, GO, Election of 2001, Series A (AGM),
5.00%, 8/01/32

San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	2,154	2,475,060
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54,802,287

Colorado 2.6%

Colorado Health Facilities Authority, RB, Catholic Health (AGM):

Series C-3, 5.10%, 10/01/41	7,490	7,769,152
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Series C-7, 5.00%, 9/01/36	4,800	4,979,520
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Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiatives, Series A, 5.50%, 7/01/34 (i)	4,299	4,874,930
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17,623,602

Connecticut 2.9%

Connecticut State Health & Educational Facility Authority, RB, Yale University:

Series T-1, 4.70%, 7/01/29	9,117	9,970,832
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Series X-3, 4.85%, 7/01/37	9,266	10,114,738
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20,085,570

Florida 1.8%

County of Miami-Dade Florida, RB, Water & Sewer System, 5.00%, 10/01/34	11,448	12,291,529
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Georgia 1.0%

Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38	6,398	6,977,699
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Massachusetts 0.7%

Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41	4,607	5,015,588
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New Hampshire 0.7%

New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (i)	4,048	4,594,050
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See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (h)	Par (000)	Value
New York 6.6%		
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	\$ 3,194	\$ 3,618,347
Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (i)	3,260	3,619,845
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated, 5.25%, 12/15/43	21,630	23,346,557
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (i)	13,080	14,467,657
		45,052,406
North Carolina 3.5%		
North Carolina Capital Facilities Finance Agency, Refunding RB:		
Duke University Project, Series A, 5.00%, 10/01/41	18,897	20,339,188
Wake Forest University, 5.00%, 1/01/38	3,120	3,442,171
		23,781,359
Ohio 4.6%		
State of Ohio, Refunding RB, Cleveland Clinic Health System Obligated Group, Series A, 5.50%, 1/01/39	27,896	31,404,128
Tennessee 1.7%		
County of Shelby Tennessee Health Educational & Housing Facilities Board, Refunding RB, St. Jude's Children's Research Hospital, 5.00%, 7/01/31	11,240	12,002,971
Texas 2.9%		
City of San Antonio Texas Public Service Board, RB, Electric & Gas Systems, Junior Lien, 5.00%, 2/01/43	5,060	5,472,997
County of Harris Texas Metropolitan Transit Authority, Refunding RB, Series A, 5.00%, 11/01/41	6,920	7,499,965
University of Texas, Refunding RB, Financing System, Series B, 5.00%, 8/15/43	6,241	6,895,479
		19,868,441
Utah 1.1%		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	\$ 7,300	\$ 7,702,141
Virginia 3.7%		
County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	6,266	6,879,701
University of Virginia, Refunding RB, General, 5.00%, 6/01/40	10,618	11,822,694
Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare, 5.00%, 11/01/40	6,075	6,466,645
		25,169,040
Washington 0.8%		
Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32	5,384	5,930,978
Wisconsin 1.8%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series C, 5.25%, 4/01/39 (i)	11,456	12,184,364
Total Municipal Bonds Transferred to Tender Option Bond Trusts 45.1%		309,156,158
Total Long-Term Investments (Cost \$1,016,708,915) 158.7%		1,088,615,964
Short-Term Securities	Shares	
FFI Institutional Tax-Exempt Fund, 0.03% (j)(k)	4,902,847	4,902,847
Total Short-Term Securities (Cost \$4,902,847) 0.7%		4,902,847
Total Investments (Cost \$1,021,611,762) 159.4%		1,093,518,811

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Other Assets Less Liabilities 1.9%	13,373,090
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (24.7)%	(169,279,278)
VRDP Shares, at Liquidation Value (36.6)%	(251,400,000)
Net Assets Applicable to Common Shares 100.0%	\$ 686,212,623

Notes to Schedule of Investments

- (a) 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.

- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

- (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) Zero-coupon bond.

- (e) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

- (f) Non-income producing security.

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

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

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)

(i) All or a portion of security is subject to a recourse agreement, which may require the Fund to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire from October 1, 2016 to November 15, 2019 is \$23,449,481.

(j) Investments in issuers considered to be an affiliate of the Fund during the year ended April 30, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at April 30, 2013	Net Activity	Shares Held at April 30, 2014	Income
FFI Institutional Tax-Exempt Fund	6,265,241	(1,362,394)	4,902,847	\$ 3,073

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

Financial futures contracts outstanding as of April 30, 2014 were as follows:

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(777)	10-Year U.S Treasury Note	Chicago Board of Trade	June 2014	\$ 96,675,797	\$ (240,954)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

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

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

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The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of April 30, 2014:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 1,088,615,964		\$ 1,088,615,964
Short-Term Securities	\$ 4,902,847			4,902,847
Total	\$ 4,902,847	\$ 1,088,615,964		\$ 1,093,518,811

¹ See above Schedule of Investments for values in each state or political subdivision.

	Level 1	Level 2	Level 3	Total
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