

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

Form N-CSRS

April 02, 2012

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 811-07080

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield Michigan 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: 07/31/2012

Date of reporting period: 01/31/2012

Item 1 – Report to Stockholders

**January 31, 2012**

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. (MJI)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

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

Table of Contents

|                                             | Page |
|---------------------------------------------|------|
| <u>Dear Shareholder</u>                     | 3    |
| <b>Semi-Annual Report:</b>                  |      |
| <u>Municipal Market Overview</u>            | 4    |
| <u>Fund Summaries</u>                       | 5    |
| <u>The Benefits and Risks of Leveraging</u> | 11   |
| <u>Derivative Financial Instruments</u>     | 11   |
| Financial Statements:                       |      |
| <u>Schedules of Investments</u>             | 12   |
| <u>Statements of Assets and Liabilities</u> | 33   |
| <u>Statements of Operations</u>             | 34   |
| <u>Statements of Changes in Net Assets</u>  | 35   |
| <u>Statements of Cash Flows</u>             | 38   |
| <u>Financial Highlights</u>                 | 39   |
| <u>Notes to Financial Statements</u>        | 45   |
| <u>Officers and Directors</u>               | 53   |
| <u>Additional Information</u>               | 54   |

2 SEMI-ANNUAL REPORT JANUARY 31, 2012

Dear Shareholder

Early in 2011, global financial market action was dominated by political revolutions in the Middle East and North Africa, soaring prices of oil and other commodities, and natural disasters in Japan resulting in global supply chain disruptions. But corporate earnings were strong and the global economic recovery appeared to be on track. Investors demonstrated steadfast confidence as risk assets, including equities, commodities and high yield bonds, charged forward. Markets reversed sharply in May, however, when escalating political strife in Greece rekindled fears about sovereign debt problems spreading across Europe. Concurrently, global economic indicators signaled that the recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5th, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default, debt problems escalated in Italy and Spain, and exposure to European sovereign bonds stressed banks globally. Financial markets whipsawed on hopes and fears. Macro news flow became a greater influence on trading decisions than the fundamentals of the securities traded, resulting in highly correlated asset prices. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began to show progress toward stemming the region's debt crisis. Investors came back from the sidelines and risk assets rallied through the month. Eventually, a lack of definitive details about Europe's rescue plan raised doubts among investors and thwarted the rally at the end of October. The last two months of 2011 saw political instability in Greece, unsustainable yields on Italian bonds, and US policymakers in gridlock over budget issues. Global central bank actions and improving economic data invigorated investors, but confidence was easily tempered by sobering news flow. Sentiment improved in the New Year as investors saw bright spots in global economic data, particularly from the United States, China and Germany. International and emerging markets rebounded strongly through January. US stocks rallied on solid improvement in the domestic labor market and indications from the Federal Reserve that interest rates would remain low through 2014. Nonetheless, investors maintained caution as US corporate earnings began to weaken and a European recession appeared inevitable.

US equities and high yield bonds recovered their late-summer losses and posted positive returns for both the 6- and 12-month periods ended January 31, 2012. International markets, however, experienced some significant downturns in 2011 and remained in negative territory despite a strong rebound at the end of the period. Fixed income securities benefited from declining yields and delivered positive returns for the 6- and 12-month periods. US Treasury bonds outperformed other fixed income classes despite their quality rating downgrade, while municipal bonds also delivered superior results. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Many of the themes that caused uncertainty in 2011 remain unresolved. For investors, the risks are daunting. BlackRock remains committed to helping you keep your financial goals on track in this challenging environment.

Sincerely,

**Rob Kapito**

President, BlackRock Advisors, LLC

*BlackRock remains committed to helping you keep your financial goals on track in this challenging environment.*

**Rob Kapito**

President, BlackRock Advisors, LLC

**Total Returns as of January 31, 2012**

|                                                                                                | 6-month | 12-month |
|------------------------------------------------------------------------------------------------|---------|----------|
| US large cap equities<br>(S&P 500® Index)                                                      | 2.71%   | 4.22%    |
| US small cap equities<br>(Russell 2000® Index)                                                 | 0.22    | 2.86     |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                        | (10.42) | (9.59)   |
| Emerging market<br>equities (MSCI Emerging<br>Markets Index)                                   | (9.56)  | (6.64)   |
| 3-month Treasury<br>bill (BofA Merrill Lynch<br>3-Month Treasury<br>Bill Index)                | 0.02    | 0.09     |
| US Treasury securities<br>(BofA Merrill Lynch 10-<br>Year US Treasury Index)                   | 10.81   | 18.49    |
| US investment grade<br>bonds (Barclays<br>Capital US Aggregate<br>Bond Index)                  | 4.25    | 8.66     |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                                    | 7.25    | 14.40    |
| US high yield bonds<br>(Barclays Capital US<br>Corporate High Yield 2%<br>Issuer Capped Index) | 1.84    | 5.81     |

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 3

## Municipal Market Overview

### For the 12-Month Period Ended January 31, 2012

One year ago, the municipal bond market was steadily recovering from a difficult fourth quarter of 2010 that brought severe losses amid a steepening US Treasury yield curve and a flood of inflated headlines about municipal finance troubles. Retail investors had lost confidence in municipals and retreated from the market. Political uncertainty surrounding the midterm elections and tax policies exacerbated the situation. These conditions combined with seasonal illiquidity weakened willful market participation from the trading community. December 2010 brought declining demand with no comparable reduction in supply as issuers rushed their deals to market before the Build America Bond program was retired. This supply-demand imbalance led to wider quality spreads and higher yields for municipal bonds heading into 2011.

Demand is usually strong at the beginning of a new year, but retail investors continued to move away from municipal mutual funds in the first half of 2011. From the middle of November 2010, outflows persisted for 29 consecutive weeks, totaling \$35.1 billion before the trend finally broke in June 2011. However, weak demand was counterbalanced by lower supply in 2011. According to Thomson Reuters, new issuance was down 32% in 2011 as compared to the prior year. While these technical factors were improving, municipalities were struggling to balance their budgets, although the late-2010 predictions for widespread municipal defaults did not materialize. Other concerns that resonated at the beginning of the year, such as rising interest rates, weakening credits and higher rates of inflation, abated as these scenarios also did not come to fruition.

On August 5th, 2011, Standard & Poor's (S&P) downgraded the US government's credit rating from AAA to AA+. While this led to the downgrade of approximately 11,000 municipal issues directly tied to the US debt rating, this represented a very small fraction of the municipal market and said nothing about the individual municipal credits themselves. In fact, demand for municipal bonds increased as severe volatility in US equities drove investors to more stable asset classes. The municipal market benefited from an exuberant Treasury market and continued muted new issuance. As supply remained constrained, demand from both traditional and non-traditional buyers was strong, pushing long-term municipal bond yields lower and sparking a curve-flattening trend that continued through year end. Ultimately, 2011 was one of the strongest performance years in municipal market history. The S&P Municipal Bond Index returned 10.62% in 2011, making municipal bonds a top-performing fixed income asset class for the year.

Supply and demand technicals continued to be favorable in January 2012. Overall, the municipal yield curve flattened during the period from January 31, 2011 to January 31, 2012. As measured by Thomson Municipal Market Data, yields declined by 161 basis points (bps) to 3.17% on AAA-rated 30-year municipal bonds and by 163 bps to 1.68% on 10-year bonds, while yields on 5-year issues fell 117 bps to 0.68%. While the entire municipal curve flattened over the 12-month time period, the spread between 2- and 30-year maturities tightened by 120 bps, and in the 2- to 10-year range, the spread tightened by 124 bps.

The fundamental picture for municipalities continues to improve. Austerity has been the general theme across the country, while a small number of states continue to rely on a "kick-the-can" approach to close their budget shortfalls, with aggressive revenue projections and accounting gimmicks. The market's technical factors are also improving as demand outpaces supply in what is historically a light issuance period. It has been over a year since the first highly publicized interview about the fiscal problems plaguing state and local governments. Thus far, the prophecy of widespread defaults across the municipal market has not materialized. In 2011, there were fewer municipal defaults than seen in 2010. Throughout 2011 monetary defaults in the S&P Municipal Bond Index totaled roughly \$805

million, representing less than 0.48% of the index. BlackRock maintains the view that municipal bond defaults will remain in the periphery and the overall market is fundamentally sound. We continue to recognize that careful credit research and security selection remain imperative amid uncertainty in this economic environment.

4 SEMI-ANNUAL REPORT JANUARY 31, 2012



Fund Summary as of January 31, 2012

**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 months ended January 31, 2012, the Fund returned 22.03% based on market price and 14.84% based on net asset value ( NAV ). For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 21.02% based on market price and 14.53% 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. The Fund s slightly long duration (sensitivity to interest rate movements) had a positive impact on performance as interest rates generally declined amid the investor flight-to-quality in the US Treasury market. Increased exposure to inverse floating rate instruments (tender option bonds) while the municipal yield curve was historically steep boosted the Fund s income accrual. The Fund s holdings of higher quality essential service revenue bonds contributed positively, as did holdings of select general obligation bonds and school district credits with stronger underlying fundamentals. Additionally, purchases of zero-coupon bonds deemed undervalued added to the Fund s total return.

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, 2012 (\$15.55) <sup>1</sup> | 5.90%             |
| Tax Equivalent Yield <sup>2</sup>                                           | 9.08%             |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.0765          |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.9180          |
| Economic Leverage as of January 31, 2012 <sup>4</sup>                       | 41%               |

<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 federal tax rate of 35%.

<sup>3</sup> The Monthly Distribution per Common Share, declared on March 1, 2012, was increased to \$0.0790 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 Auction Market Preferred Shares ( AMPS ) and tender option bond trusts ( TOBs ) as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to AMPS 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 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

|                 | 1/31/12 | 7/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$15.55 | \$13.15 | 18.25% | \$15.57 | \$12.90 |
| Net Asset Value | \$15.88 | \$14.27 | 11.28% | \$15.88 | \$14.27 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

### Sector Allocations

|                                              | 1/31/12 | 7/31/11 |
|----------------------------------------------|---------|---------|
| County/City/Special District/School District | 38%     | 37%     |
| Utilities                                    | 27      | 30      |
| Education                                    | 12      | 11      |
| Transportation                               | 11      | 12      |
| Health                                       | 7       | 4       |
| State                                        | 5       | 2       |
| Corporate                                    | 5       | 4       |

- <sup>5</sup> Representing less than 1% of the Fund's long-term investments.

### Credit Quality Allocations<sup>6</sup>

|           | 1/31/12 | 7/31/11 |
|-----------|---------|---------|
| AAA/Aaa   | 17%     | 5%      |
| AA/Aa     | 65      | 64      |
| A         | 17      | 17      |
| BBB/Baa   | 1       | 5       |
| Not Rated |         | 9       |

- <sup>6</sup> Using the higher of Standard & Poor's ( S&P's ) or Moody's Investors Service ( Moody's ) ratings.

SEMI-ANNUAL REPORT JANUARY 31, 2012 5

Fund Summary as of January 31, 2012

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

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

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

**Performance**

For the six months ended January 31, 2012, the Fund returned 18.23% based on market price and 13.71% based on NAV. For the same period, the closed end Lipper New Jersey Municipal Debt Funds category posted an average return of 20.36% based on market price and 13.24% 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. During the period, the Fund benefited from the declining interest rate environment (bond prices rise as interest rates fall), the flattening of the yield curve (long interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Fund s exposure to zero-coupon bonds and the health sector had a positive impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening 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, 2012 (\$15.77) <sup>1</sup> | 5.63%          |
| Tax Equivalent Yield <sup>2</sup>                                           | 8.66%          |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.074        |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.888        |
| Economic Leverage as of January 31, 2012 <sup>4</sup>                       | 37%            |

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

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

<sup>4</sup> Represents Variable Rate Demand Preferred Shares ( 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 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

|                 | <b>1/31/12</b> | <b>7/31/11</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$15.77        | \$13.74        | 14.77%        | \$15.89     | \$13.51    |
| Net Asset Value | \$16.26        | \$14.73        | 10.39%        | \$16.26     | \$14.73    |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

#### Sector Allocations

|                                              | <b>1/31/12</b> | <b>7/31/11</b> |
|----------------------------------------------|----------------|----------------|
| State                                        | 34%            | 31%            |
| Transportation                               | 15             | 19             |
| Education                                    | 12             | 12             |
| Health                                       | 12             | 11             |
| County/City/Special District/School District | 11             | 14             |
| Utilities                                    | 8              | 5              |
| Housing                                      | 5              | 6              |
| Corporate                                    | 2              | 1              |
| Tobacco                                      | 1              | 1              |

#### Credit Quality Allocations<sup>5</sup>

|         | <b>1/31/12</b> | <b>7/31/11</b> |
|---------|----------------|----------------|
| AAA/Aaa | 9%             | 11%            |
| AA/Aa   | 50             | 45             |
| A       | 29             | 30             |
| BBB/Baa | 12             | 14             |

<sup>5</sup> Using the higher of S&P's and Moody's ratings.  
6SEMI-ANNUAL REPORT JANUARY 31, 2012

Fund Summary as of January 31, 2012

**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 months ended January 31, 2012, the Fund returned 23.88% based on market price and 16.39% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 21.10% based on market price and 13.67% 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. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Fund s performance. The Fund s longer-dated holdings in the health, transportation and education sectors experienced the best price appreciation.

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**Fund Information**

|                                                                             |                  |
|-----------------------------------------------------------------------------|------------------|
| Symbol on NYSE                                                              | MFT              |
| Initial Offering Date                                                       | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2012 (\$14.89) <sup>1</sup> | 5.72%            |
| Tax Equivalent Yield <sup>2</sup>                                           | 8.80%            |
| 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, 2012 <sup>4</sup>                       | 39%              |

<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 federal tax rate of 35%.

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

<sup>4</sup> Represents Variable Rate Muni Term Preferred Shares ( 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 11.

The table below summarizes the changes in the Fund s market price and NAV per share:

|                 | <b>1/31/12</b> | <b>7/31/11</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$14.89        | \$12.39        | 20.18%        | \$14.95     | \$12.05    |
| Net Asset Value | \$15.13        | \$13.40        | 12.91%        | \$15.13     | \$13.40    |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

#### Sector Allocations

|                                              | <b>1/31/12</b> | <b>7/31/11</b> |
|----------------------------------------------|----------------|----------------|
| Utilities                                    | 29%            | 30%            |
| County/City/Special District/School District | 23             | 23             |
| Transportation                               | 22             | 18             |
| Health                                       | 11             | 13             |
| State                                        | 8              | 9              |
| Education                                    | 4              | 3              |
| Housing                                      | 2              | 3              |
| Tobacco                                      | 1              | 1              |

#### Credit Quality Allocations<sup>5</sup>

|                        | <b>1/31/12</b> | <b>7/31/11</b> |
|------------------------|----------------|----------------|
| AAA/Aaa                | 8%             | 4%             |
| AA/Aa                  | 74             | 13             |
| A                      | 16             | 69             |
| BBB/Baa                | 2              | 8              |
| Not Rated <sup>6</sup> |                | 6              |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012, the market value of these securities was \$285,650, representing less than 1% of the Fund's long-term investments.

Fund Summary as of January 31, 2012

**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 months ended January 31, 2012, the Fund returned 20.52% based on market price and 12.28% based on NAV. For the same period, the closed-end Lipper Michigan Municipal Debt Funds category posted an average return of 19.01% based on market price and 12.19% 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. During the period, the Fund benefited from the declining interest rate environment (bond prices rise as interest rates fall), the flattening of the yield curve (long interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Fund s exposure to zero-coupon bonds and the health sector had a positive impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening 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, 2012 (\$15.63) <sup>1</sup> | 5.87%            |     |
| Tax Equivalent Yield <sup>2</sup>                                           | 9.03%            |     |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.0765         |     |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.9180         |     |
| Economic Leverage as of January 31, 2012 <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 federal tax rate of 35%.

<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 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

|                 | <b>1/31/12</b> | <b>7/31/11</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$15.63        | \$13.39        | 16.73%        | \$15.66     | \$12.97    |
| Net Asset Value | \$15.91        | \$14.63        | 8.75%         | \$15.91     | \$14.63    |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

### Sector Allocations

|                                              | <b>1/31/12</b> | <b>7/31/11</b> |
|----------------------------------------------|----------------|----------------|
| County/City/Special District/School District | 26%            | 29%            |
| State                                        | 17             | 9              |
| Health                                       | 15             | 13             |
| Utilities                                    | 14             | 16             |
| Education                                    | 10             | 8              |
| Transportation                               | 8              | 10             |
| Housing                                      | 5              | 5              |
| Corporate                                    | 5              | 10             |

### Credit Quality Allocations<sup>5</sup>

|                        | <b>1/31/12</b> | <b>7/31/11</b> |
|------------------------|----------------|----------------|
| AAA/Aaa                | 9%             | 3%             |
| AA/Aa                  | 62             | 67             |
| A                      | 26             | 27             |
| BBB/Baa                | 2              | 2              |
| Not Rated <sup>6</sup> | 1              | 1              |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012 and July 31, 2011, the market value of these securities was \$5,297,162, representing 1%, and \$1,064,957, representing 1%, respectively, of the Fund's long-term investments.



Fund Summary as of January 31, 2012

**BlackRock MuniYield New Jersey Quality Fund, Inc.****Fund Overview**

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

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

**Performance**

For the six months ended January 31, 2012, the Fund returned 25.38% based on market price and 13.70% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 20.36% based on market price and 13.24% 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. During the period, the Fund benefited from the declining interest rate environment (bond prices rise as interest rates fall), the flattening of the yield curve (long interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Fund s exposure to zero-coupon bonds and the health sector had a positive impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening 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                                                              | MJI              |     |
| Initial Offering Date                                                       | October 30, 1992 |     |
| Yield on Closing Market Price as of January 31, 2012 (\$15.99) <sup>1</sup> | 5.40%            |     |
| Tax Equivalent Yield <sup>2</sup>                                           | 8.31%            |     |
| 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, 2012 <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 federal tax rate of 35%.

<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 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

|                 | <b>1/31/12</b> | <b>7/31/11</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$15.99        | \$13.16        | 21.50%        | \$15.99     | \$12.91    |
| Net Asset Value | \$16.01        | \$14.53        | 10.19%        | \$16.01     | \$14.53    |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

#### Sector Allocations

|                                              | <b>1/31/12</b> | <b>7/31/11</b> |
|----------------------------------------------|----------------|----------------|
| State                                        | 31%            | 27%            |
| Education                                    | 15             | 17             |
| Transportation                               | 13             | 12             |
| Health                                       | 11             | 10             |
| Utilities                                    | 10             | 9              |
| County/City/Special District/School District | 9              | 14             |
| Housing                                      | 6              | 7              |
| Corporate                                    | 4              | 3              |
| Tobacco                                      | 1              | 1              |

#### Credit Quality Allocations<sup>5</sup>

|                        | <b>1/31/12</b> | <b>7/31/11</b> |
|------------------------|----------------|----------------|
| AAA/Aaa                | 10%            | 10%            |
| AA/Aa                  | 44             | 44             |
| A                      | 33             | 33             |
| BBB/Baa                | 12             | 10             |
| Not Rated <sup>6</sup> | 1              | 3              |

<sup>5</sup> Using the higher of S&P's and Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012 and July 31, 2011, the market value of these securities was \$2,063,496, representing 1%, and \$3,124,559, representing 3%, respectively, of the Fund's long-term investments.

SEMI-ANNUAL REPORT JANUARY 31, 2012 9

Fund Summary as of January 31, 2012

**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.

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

**Performance**

For the six months ended January 31, 2012, the Fund returned 20.10% based on market price and 12.46% based on NAV. For the same period, the closed-end Lipper Pennsylvania Municipal Debt Funds category posted an average return of 16.43% based on market price and 11.62% 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. During the period, municipal bond prices generally rose as the yield curve flattened and credit spreads tightened. Given these market conditions, the Fund s exposure to longer maturity bonds and lower-quality investment grade bonds had a significant positive impact on the Fund s performance for the period. The Fund s distribution yield was below the median of its Lipper category, resulting in a lower total return relative to its peers.

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, 2012 (\$16.25) <sup>1</sup> | 5.65%            |
| Tax Equivalent Yield <sup>2</sup>                                           | 8.69%            |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.0765         |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.9180         |
| Economic Leverage as of January 31, 2012 <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 federal tax rate of 35%.

<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 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

|                 | <b>1/31/12</b> | <b>7/31/11</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$16.25        | \$13.94        | 16.57%        | \$16.33     | \$13.76    |
| Net Asset Value | \$16.34        | \$14.97        | 9.15%         | \$16.34     | \$14.97    |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

#### Sector Allocations

|                                              | <b>1/31/12</b><br>23% | <b>7/31/11</b><br>30% |    |
|----------------------------------------------|-----------------------|-----------------------|----|
| County/City/Special District/School District |                       |                       |    |
| State                                        |                       | 23                    | 16 |
| Health                                       |                       | 14                    | 14 |
| Utilities                                    |                       | 12                    | 13 |
| Transportation                               |                       | 12                    | 12 |
| Education                                    |                       | 8                     | 8  |
| Housing                                      |                       | 5                     | 3  |
| Corporate                                    |                       | 3                     | 4  |

#### Credit Quality Allocations<sup>5</sup>

|           | <b>1/31/12</b> | <b>7/31/11</b> |
|-----------|----------------|----------------|
| AA/Aa     | 80%            | 79%            |
| A         | 17             | 17             |
| BBB/Baa 3 |                | 4              |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.  
10SEMI-ANNUAL REPORT JANUARY 31, 2012

### The Benefits and Risks of Leveraging

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

To obtain leverage, the Funds issue Auction Market Preferred Shares ( AMPS ), Variable Rate Demand Preferred Shares ( VRDP Shares ) or Variable Rate Muni Term Preferred Shares ( VMTP Shares ) (collectively, Preferred Shares ). Preferred Shares pay dividends at prevailing short-term interest rates, and the Funds invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares ( Preferred Shareholders ) are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAVs positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also leverage their assets through the use of tender option bond trusts ( TOBs ), as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Fund's NAV per share.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each 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 a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by rating agencies that rate the Preferred Shares issued by the Funds. Each 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.

Under the Investment Company Act of 1940, as amended (the "1940 Act"), the Funds are permitted to issue senior securities in the form of equity securities (e.g., Preferred Shares) up to 50% of their total managed assets. In addition, each Fund voluntarily limits its economic leverage to 50% of its total managed assets for Funds with AMPS or 45% for Funds with VRDPs or VMTPs. As of January 31, 2012, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

|     | Percent of | Economic<br>Leverage |
|-----|------------|----------------------|
| MUC | 41%        |                      |
| MUJ | 37%        |                      |
| MFT | 39%        |                      |
| MIY | 36%        |                      |
| MJI | 35%        |                      |
| MPA | 35%        |                      |

#### Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts as specified in Note 2 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 and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders 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.

Schedule of Investments January 31, 2012  
(Unaudited)

**BlackRock MuniHoldings California Quality Fund, Inc.**  
**(MUC)**  
**(Percentages shown are based on Net Assets)**

| <b>Municipal Bonds</b>                                                                                                   | <b>Par<br/>(000)</b> | <b>Value</b> |
|--------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>California 102.4%</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             | \$ 2,818,001 |
| <b>County/City/Special District/School District 28.9%</b>                                                                |                      |              |
| Alhambra Unified School District, GO, CAB, Election of 2008, Series B (AGM), 6.31%, 8/01/39 (a)                          | 5,000                | 1,110,750    |
| Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 8/01/41                              | 9,000                | 10,380,780   |
| Chabot-Las Positas Community College District, GO, CAB, Series C (AMBAC), 6.03%, 8/01/37 (a)                             | 11,980               | 2,874,242    |
| City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26                                | 4,040                | 4,093,934    |
| City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30                                               | 5,000                | 5,521,100    |
| Colton Joint Unified School District, GO, Series A (NPFGC), 5.38%, 8/01/26                                               | 2,500                | 2,585,725    |
| County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35                            | 3,500                | 4,057,935    |
| Covina-Valley Unified School District California, GO, Refunding, Series A (AGM), 5.50%, 8/01/26                          | 2,395                | 2,482,489    |
| Culver City Redevelopment Finance Authority California, Tax Allocation Bonds, Refunding, Series A (AGM), 5.60%, 11/01/25 | 3,750                | 3,762,525    |
| Desert Community College District, GO, CAB, Election 2004 Series C (AGM), 5.90%, 8/01/46 (a)                             | 5,000                | 712,050      |
| Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40                                            | 2,000                | 2,377,800    |
| Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27          | 10,000               | 10,559,100   |
| Merced Union High School District, GO, CAB, Election 2008, Series C (a):                                                 |                      |              |
| 6.61%, 8/01/33                                                                                                           | 2,500                | 781,875      |
| 6.40%, 8/01/36                                                                                                           | 4,100                | 1,070,223    |
| 7.07%, 8/01/41                                                                                                           | 5,000                | 739,350      |
| New Haven Unified School District, GO, CAB, (AGC), 8/01/33                                                               | 4,950                | 1,594,148    |
| Norwalk-La Mirada Unified School District California, GO, CAB, Election of 2002, Series E (AGC), 5.53%, 8/01/38 (a)      | 7,500                | 1,790,025    |
| Orange County Sanitation District, COP, Series A,                                                                        |                      |              |

|                                                                                                       |        |            |
|-------------------------------------------------------------------------------------------------------|--------|------------|
| 5.00%, 2/01/35                                                                                        | 2,500  | 2,770,300  |
| Oxnard Union High School District, GO, Refunding,<br>Election of 2004, Series A (AGM), 5.00%, 8/01/35 | 10,000 | 10,979,000 |
| Port of Oakland, Refunding RB, Series M (FGIC),<br>5.38%, 11/01/27                                    | 18,000 | 18,239,220 |
| Redlands Unified School District California, GO, Election<br>of 2008 (AGM), 5.25%, 7/01/33            | 5,000  | 5,559,550  |
| Rio Hondo Community College District, GO, CAB, Election<br>of 2004, Series C, 5.32%, 8/01/36 (a)      | 16,650 | 4,842,319  |
| San Bernardino Community College District, GO, Election<br>of 2002, Series A, 6.25%, 8/01/33          | 310    | 370,918    |

**Municipal Bonds**  
**California (continued)**

**Par  
(000) Value**

**County/City/Special District/School District (concluded)**

|                                                                                                                                                     |        |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------|
| San Diego Regional Building Authority, RB, County<br>Operations Center & Annex, Series A, 5.50%, 2/01/29                                            | \$ 900 | \$ 1,027,692 |
| San Jose Financing Authority, RB, Civic Center Project,<br>Series B (AMBAC), 5.00%, 6/01/32                                                         | 14,800 | 14,879,180   |
| San Jose Financing Authority, RB, Convention Center<br>Expansion & Renovation Project:<br>5.75%, 5/01/36                                            | 2,560  | 2,741,581    |
| 5.75%, 5/01/42                                                                                                                                      | 4,500  | 5,114,745    |
| Santa Clara Redevelopment Agency California, Tax<br>Allocation Bonds, Bayshore North Project, Series A<br>(AMBAC), 5.50%, 6/01/23                   | 10,000 | 10,064,900   |
| Snowline Joint Unified School District, COP, Refunding,<br>Refining Project (AGC), 5.75%, 9/01/38                                                   | 5,635  | 6,412,517    |
| Vista Unified School District California, GO, Series A<br>(AGM), 5.25%, 8/01/25                                                                     | 10,000 | 10,196,200   |
| Walnut Valley Unified School District California, GO,<br>Election of 2007, Measure S, Series A (AGM),<br>5.00%, 2/01/33                             | 2,000  | 2,185,220    |
| West Contra Costa County Unified School District<br>California, GO, Election of 2005, Series A (AGM),<br>5.00%, 8/01/35                             | 12,000 | 12,507,960   |
| West Contra Costa Unified School District California, GO:<br>Election of 2002, Series B (AGM), 5.00%, 8/01/32                                       | 6,690  | 6,744,256    |
| Election of 2010, Series A, 5.25%, 8/01/41                                                                                                          | 5,390  | 5,972,066    |
| Refunding (AGM), 5.25%, 8/01/23                                                                                                                     | 4,500  | 5,395,365    |
| Westminster Redevelopment Agency California,<br>Tax Allocation Bonds, Subordinate, Commercial<br>Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39 | 4,300  | 5,156,732    |
|                                                                                                                                                     |        | 187,653,772  |

**Education 8.9%**

|                                                                                        |       |           |
|----------------------------------------------------------------------------------------|-------|-----------|
| Anaheim City School District California, GO, Election<br>of 2010 (AGM), 6.25%, 8/01/40 | 3,750 | 4,520,100 |
| California Municipal Finance Authority, RB, Emerson<br>College, 6.00%, 1/01/42         | 2,500 | 2,769,775 |



|                                                                                                                           |       |            |
|---------------------------------------------------------------------------------------------------------------------------|-------|------------|
| California State Educational Facilities Authority, RB,<br>University of Southern California, Series A,<br>5.25%, 10/01/38 | 8,000 | 8,997,680  |
| Gavilan Joint Community College District, GO, Election<br>of 2004, Series D:<br>5.50%, 8/01/31                            | 2,170 | 2,613,570  |
| 5.75%, 8/01/35                                                                                                            | 8,400 | 9,991,128  |
| Riverside Community College District, GO, Election<br>of 2004, Series C (AGM), 5.00%, 8/01/32                             | 8,750 | 9,497,162  |
| San Diego Community College District, GO, Election<br>of 2006 (AGM), 5.00%, 8/01/30                                       | 9,555 | 10,604,235 |
| University of California, RB, Series L, 5.00%, 5/15/36                                                                    | 2,995 | 3,209,262  |
| University of California, Refunding RB, General, Series A<br>(AMBAC), 5.00%, 5/15/27                                      | 5,000 | 5,255,400  |
|                                                                                                                           |       | 57,458,312 |

## Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|                |                                         |
|----------------|-----------------------------------------|
| <b>ACA</b>     | American Capital Access Corp.           |
| <b>AGC</b>     | Assured Guaranty Corp.                  |
| <b>AGM</b>     | Assured Guaranty Municipal Corp.        |
| <b>AMBAC</b>   | American Municipal Bond Assurance Corp. |
| <b>AMT</b>     | Alternative Minimum Tax (subject to)    |
| <b>ARB</b>     | Airport Revenue Bonds                   |
| <b>BHAC</b>    | Berkshire Hathaway Assurance Corp.      |
| <b>CAB</b>     | Capital Appreciation Bonds              |
| <b>CIFG</b>    | CDC IXIS Financial Guaranty             |
| <b>COP</b>     | Certificates of Participation           |
| <b>EDA</b>     | Economic Development Authority          |
| <b>EDC</b>     | Economic Development Corp.              |
| <b>ERB</b>     | Education Revenue Bonds                 |
| <b>FGIC</b>    | Financial Guaranty Insurance Co.        |
| <b>GARB</b>    | General Airport Revenue Bonds           |
| <b>GO</b>      | General Obligation Bonds                |
| <b>HDA</b>     | Housing Development Authority           |
| <b>HFA</b>     | Housing Finance Agency                  |
| <b>HRB</b>     | Housing Revenue Bonds                   |
| <b>IDA</b>     | Industrial Development Authority        |
| <b>ISD</b>     | Independent School District             |
| <b>NPFGC</b>   | National Public Finance Guarantee Corp. |
| <b>Q-SBLF</b>  | Qualified School Bond Loan Fund         |
| <b>RB</b>      | Revenue Bonds                           |
| <b>S/F</b>     | Single-Family                           |
| <b>SYNCORA</b> | Syncora Guarantee                       |

See Notes to Financial Statements.

12SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments (continued)

**BlackRock MuniHoldings California Quality Fund,  
Inc. (MUC)**  
 (Percentages shown are based on Net Assets)

| <b>Municipal Bonds</b>                                                                                                          | <b>Par</b>   | <b>Value</b> |
|---------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>California (continued)</b>                                                                                                   | <b>(000)</b> |              |
| <b>Health 11.4%</b>                                                                                                             |              |              |
| ABAG Finance Authority for Nonprofit Corps, Refunding RB, Sharp Healthcare, 6.25%, 8/01/39                                      | \$ 5,000     | \$ 5,775,300 |
| ABAG Finance Authority for Nonprofit Corps, Sharp Healthcare, Refunding RB, Series A, 6.00%, 8/01/30                            | 2,250        | 2,713,410    |
| California Health Facilities Financing Authority, RB: Adventist Health System, Series A, 5.00%, 3/01/33                         | 3,190        | 3,212,585    |
| Providence Health Services, Series B, 5.50%, 10/01/39                                                                           | 3,970        | 4,387,208    |
| Sutter Health, Series A, 5.25%, 11/15/46                                                                                        | 19,000       | 19,802,560   |
| Sutter Health, Series B, 6.00%, 8/15/42                                                                                         | 9,655        | 11,122,946   |
| California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/34              | 3,700        | 4,268,172    |
| California Health Facilities Financing Authority Revenue Bonds, Series A Kaiser Permanente, 5.25%, 4/01/39                      | 6,500        | 6,715,345    |
| California Statewide Communities Development Authority, RB: Health Facility Memorial Health Services, Series A, 6.00%, 10/01/23 | 4,915        | 5,107,914    |
| Kaiser Permanente, Series B, 5.25%, 3/01/45                                                                                     | 6,100        | 6,312,341    |
| City of Newport Beach California, RB, Hoag Memorial Hospital Presbyterian, 6.00%, 12/01/40                                      | 3,820        | 4,545,456    |
|                                                                                                                                 |              | 73,963,237   |
| <b>State 9.1%</b>                                                                                                               |              |              |
| California State Public Works Board, RB, Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34            | 3,670        | 4,234,079    |
| California State Public Works Board, RB, California State Prisons, Series C, 5.75%, 10/01/31                                    | 1,205        | 1,380,942    |
| State of California, GO: 6.00%, 3/01/33                                                                                         | 5,800        | 6,889,356    |
| 6.00%, 4/01/38                                                                                                                  | 28,265       | 32,805,207   |
| University of California, RB, Limited Project, Series D (NPFGC), 5.00%, 5/15/41                                                 | 13,000       | 13,871,000   |
|                                                                                                                                 |              | 59,180,584   |
| <b>Transportation 16.0%</b>                                                                                                     |              |              |
| City of Fresno California, RB, Series B, AMT (AGM), 5.50%, 7/01/20                                                              | 4,455        | 4,565,217    |
| City of San Jose California, RB: Series A-1, AMT, 6.25%, 3/01/34                                                                | 1,400        | 1,614,816    |

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|                                                                                       |        |            |
|---------------------------------------------------------------------------------------|--------|------------|
| Series A-1, AMT, 5.25%, 3/01/23                                                       | 2,985  | 3,315,738  |
| Series D (NPFGC), 5.00%, 3/01/28                                                      | 5,000  | 5,127,000  |
| County of Orange California, RB, Series B,<br>5.75%, 7/01/34                          | 6,345  | 7,140,282  |
| County of Sacramento California, RB:                                                  |        |            |
| Senior Series A (AGC), 5.50%, 7/01/41                                                 | 7,275  | 7,917,019  |
| Senior Series B, 5.75%, 7/01/39                                                       | 2,650  | 2,924,249  |
| Senior Series B, AMT, (AGM), 5.25%, 7/01/33                                           | 19,525 | 20,791,196 |
| Senior Series B, AMT (AGM), 5.75%, 7/01/28                                            | 13,275 | 14,888,709 |
| Los Angeles Department of Airports, RB:                                               |        |            |
| Senior Series D, 5.25%, 5/15/29                                                       | 2,590  | 3,000,308  |
| Series A, 5.25%, 5/15/39                                                              | 2,775  | 3,088,658  |
| Los Angeles Department of Airports, Refunding RB,<br>Senior, Series A, 5.00%, 5/15/35 | 2,945  | 3,284,971  |
| Los Angeles Harbor Department, RB, Series B,<br>5.25%, 8/01/34                        | 5,530  | 6,284,568  |
| San Francisco City & County Airports Commission, RB,<br>Series E, 6.00%, 5/01/39      | 9,650  | 11,182,420 |

|                               |              |              |
|-------------------------------|--------------|--------------|
|                               | <b>Par</b>   |              |
|                               | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>        |              |              |
| <b>California (concluded)</b> |              |              |

**Transportation (concluded)**

|                                                                                                                   |          |                          |
|-------------------------------------------------------------------------------------------------------------------|----------|--------------------------|
| San Francisco City & County Airports Commission,<br>Refunding RB, Second Series 34E, AMT (AGM),<br>5.75%, 5/01/24 | \$ 5,000 | \$ 5,723,800             |
| San Joaquin County Transportation Authority, RB, Limited<br>Tax, Measure K, Series A, 6.00%, 3/01/36              | 2,400    | 2,881,968<br>103,730,919 |

**Utilities 27.7%**

|                                                                                                               |        |            |
|---------------------------------------------------------------------------------------------------------------|--------|------------|
| Anaheim Public Financing Authority, RB, Electric System<br>Distribution Facilities, Series A, 5.38%, 10/01/36 | 2,200  | 2,534,026  |
| City of Escondido California, COP, Refunding, Series A<br>(NPFGC), 5.75%, 9/01/24                             | 465    | 466,795    |
| City of Los Angeles California, Refunding RB:                                                                 |        |            |
| Sub-Series A, 5.00%, 6/01/32                                                                                  | 3,000  | 3,408,570  |
| Sub-Series A, 5.00%, 6/01/28                                                                                  | 2,000  | 2,328,160  |
| Dublin-San Ramon Services District, Refunding RB,<br>6.00%, 8/01/41                                           | 4,000  | 4,739,200  |
| East Bay Municipal Utility District, Refunding RB,<br>Sub-Series A (AMBAC), 5.00%, 6/01/33                    | 6,545  | 7,178,687  |
| Eastern Municipal Water District, COP, Series H,<br>5.00%, 7/01/33                                            | 2,500  | 2,719,775  |
| Imperial Irrigation District, Refunding RB, System,<br>5.13%, 11/01/38                                        | 9,500  | 10,143,530 |
| Los Angeles Department of Water & Power, RB:                                                                  |        |            |
| 5.00%, 7/01/41                                                                                                | 5,000  | 5,561,950  |
| Series A, 5.38%, 7/01/38                                                                                      | 10,500 | 11,885,790 |
| System Series A, 5.25%, 7/01/39                                                                               | 16,000 | 18,326,080 |
| Metropolitan Water District of Southern California, RB,                                                       |        |            |

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|                                                                                                |        |                    |
|------------------------------------------------------------------------------------------------|--------|--------------------|
| Series B-1 (NPFGC), 5.00%, 10/01/33                                                            | 8,605  | 9,105,037          |
| Oxnard Financing Authority, RB (NPFGC):                                                        |        |                    |
| Project, 5.00%, 6/01/31                                                                        | 10,000 | 10,618,500         |
| Redwood Trunk Sewer & Headworks, Series A, 5.25%, 6/01/34                                      | 9,750  | 10,436,302         |
| Sacramento City Financing Authority California, Refunding RB (NPFGC), 5.00%, 12/01/29          | 8,775  | 9,159,608          |
| Sacramento Municipal Utility District, RB, Series R (NPFGC), 5.00%, 8/15/33                    | 20,000 | 20,831,400         |
| San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A: 5.25%, 5/15/34 | 1,000  | 1,136,460          |
| 5.25%, 5/15/39                                                                                 | 3,165  | 3,550,877          |
| San Francisco City & County Public Utilities Commission, RB:                                   |        |                    |
| Local Water Main Sub-Series C, 5.00%, 11/01/41                                                 | 5,000  | 5,627,950          |
| Series A (NPFGC), 5.00%, 11/01/32                                                              | 15,000 | 15,220,200         |
| Series B, 5.00%, 11/01/30                                                                      | 14,000 | 16,142,420         |
| Southern California Public Power Authority, Milford Wind Corridor Phase II, 5.25%, 7/01/28     | 6,980  | 8,304,036          |
|                                                                                                |        | 179,425,353        |
| <b>Total Municipal Bonds in California</b>                                                     |        | <b>664,230,178</b> |

**Puerto Rico 0.4%**

**County/City/Special District/School District 0.4%**

|                                                                         |        |                    |
|-------------------------------------------------------------------------|--------|--------------------|
| Puerto Rico Sales Tax Financing Corp., RB, Series C, 6.00%, 8/01/39 (a) | 12,420 | 2,892,245          |
| <b>Total Municipal Bonds in Puerto Rico</b>                             |        | <b>2,892,245</b>   |
| <b>Total Municipal Bonds 102.8%</b>                                     |        | <b>667,122,423</b> |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 13

## Schedule of Investments (continued)

**BlackRock MuniHoldings California Quality Fund,  
Inc. (MUC)**  
 (Percentages shown are based on Net Assets)

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (b)**  
**California 63.3%**
**Par  
(000) Value**
**County/City/Special District/School District 33.1%**

|                                                                                                                                                     |           |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|
| Alameda County Joint Powers Authority, Refunding RB,<br>Lease (AGM), 5.00%, 12/01/34                                                                | \$ 13,180 | \$ 14,214,366 |
| Contra Costa Community College District California, GO,<br>Election of 2002 (NPFGC), 5.00%, 8/01/28                                                 | 7,800     | 8,252,244     |
| Desert Community College District California, GO,<br>Series C (AGM), 5.00%, 8/01/37                                                                 | 16,530    | 17,624,451    |
| Foothill-De Anza Community College District, GO,<br>Series C, 5.00%, 8/01/40                                                                        | 10,000    | 11,152,100    |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series E-1, 5.00%, 8/01/33                                              | 11,770    | 12,982,663    |
| Election of 2003, Series E (AGM), 5.00%, 8/01/31                                                                                                    | 11,216    | 12,114,926    |
| Election of 2003, Series F-1, 5.00%, 8/01/33                                                                                                        | 10,000    | 11,030,300    |
| Election of 2008, Series A, 6.00%, 8/01/33                                                                                                          | 9,596     | 11,537,726    |
| Los Angeles Community College District California,<br>GO, Series A, Election of 2001, Series A (NPFGC),<br>5.00%, 8/01/32                           | 6,647     | 7,271,030     |
| Los Angeles County Metropolitan Transportation<br>Authority,<br>Refunding RB, Proposition A, First Tier, Senior Series A<br>(AMBAC), 5.00%, 7/01/35 | 8,997     | 9,909,171     |
| Los Angeles County Sanitation Districts Financing<br>Authority, Refunding RB, Capital Project 14 (BHAC),<br>5.00%, 10/01/34                         | 7,917     | 8,369,388     |
| Ohlone Community College District, GO, Series B (AGM),<br>5.00%, 8/01/30                                                                            | 16,518    | 17,693,383    |
| Poway Unified School District, GO, Election of 2002,<br>Improvement District 02, Series 1-B (AGM),<br>5.00%, 8/01/30                                | 10,000    | 10,875,600    |
| San Bernardino Community College District California,<br>GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31                                       | 17,770    | 19,700,000    |
| San Diego Community College District California, GO,<br>Election of 2002 (AGM), 5.00%, 5/01/30                                                      | 12,549    | 13,759,804    |
| San Francisco Bay Area Rapid Transit District, Refunding<br>RB, Series A (NPFGC), 5.00%, 7/01/30                                                    | 23,100    | 25,365,186    |
| San Francisco Bay Area Transit Financing Authority,<br>Refunding RB, Series A (NPFGC), 5.00%, 7/01/34                                               | 2,499     | 2,744,396     |
|                                                                                                                                                     |           | 214,596,734   |

**Education 11.8%**

|                                                                                               |       |            |
|-----------------------------------------------------------------------------------------------|-------|------------|
| Chaffey Community College District, GO, Election<br>of 2002, Series B (NPFGC), 5.00%, 6/01/30 | 9,905 | 10,577,930 |
|-----------------------------------------------------------------------------------------------|-------|------------|

|                                                                                              |        |            |
|----------------------------------------------------------------------------------------------|--------|------------|
| Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35          | 11,000 | 12,127,610 |
| Mount Diablo California Uniform School District, GO, 5.00%, 6/01/31                          | 4,000  | 4,190,240  |
| Riverside Community College District, GO, Election of 2004, Series C (NPFGC), 5.00%, 8/01/32 | 8,910  | 9,652,203  |
| University of California, RB:                                                                |        |            |
| Limited Project, Series B (AGM), 5.00%, 5/15/33                                              | 17,397 | 18,218,783 |
| Limited Project, Series D (AGM), 5.00%, 5/15/41                                              | 8,000  | 8,536,000  |
| Series O, 5.75%, 5/15/34                                                                     | 11,190 | 13,166,714 |
|                                                                                              |        | 76,469,480 |

### Transportation 1.6%

|                                                                                           |        |            |
|-------------------------------------------------------------------------------------------|--------|------------|
| San Mateo County Transportation Authority, Refunding RB, Series A (NPFGC), 5.00%, 6/01/32 | 10,000 | 10,515,900 |
|-------------------------------------------------------------------------------------------|--------|------------|

### Utilities 16.8%

|                                                                                         |        |            |
|-----------------------------------------------------------------------------------------|--------|------------|
| City of Napa California, RB (AMBAC), 5.00%, 5/01/35                                     | 9,100  | 9,776,130  |
| East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35           | 12,070 | 13,359,317 |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37 | 14,510 | 15,691,840 |
| Los Angeles Department of Water & Power, RB, Power System (AGM):                        |        |            |
| Sub-Series A-1, 5.00%, 7/01/31                                                          | 4,993  | 5,326,218  |
| Sub-Series A-2, 5.00%, 7/01/35                                                          | 7,500  | 8,007,075  |

### Municipal Bonds Transferred to Tender Option Bond Trusts (b) California (concluded)

Par  
(000) Value

### Utilities (concluded)

|                                                                                                                    |           |               |
|--------------------------------------------------------------------------------------------------------------------|-----------|---------------|
| Metropolitan Water District of Southern California, RB, Series A (AGM), 5.00%, 7/01/35                             | \$ 12,870 | \$ 14,197,026 |
| Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34                            | 5,008     | 5,472,223     |
| Sacramento Regional County Sanitation District, RB, Sacramento Regional County Sanitation (NPFGC), 5.00%, 12/01/36 | 4,500     | 4,798,845     |
| San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31                                              | 4,000     | 4,233,040     |
| San Diego County Water Authority, COP, Refunding: Series 2002-A (NPFGC), 5.00%, 5/01/32                            | 10,000    | 10,142,600    |
| Series 2008-A (AGM), 5.00%, 5/01/33                                                                                | 16,740    | 18,108,495    |
|                                                                                                                    |           | 109,112,809   |

### Total Municipal Bonds Transferred to Tender Option Bond Trusts 63.3%

|                               |  |               |
|-------------------------------|--|---------------|
| Total Long-Term Investments   |  | 410,694,923   |
| (Cost \$1,005,772,469) 166.1% |  | 1,077,817,346 |

| <b>Short-Term Securities</b>                                    | <b>Shares</b> |                |
|-----------------------------------------------------------------|---------------|----------------|
| BIF California Municipal Money Fund,<br>0.00% (c)(d)            | 14,314,399    | 14,314,399     |
| <b>Total Short-Term Securities</b>                              |               |                |
| (Cost \$14,314,399) 2.2%                                        |               | 14,314,399     |
| <b>Total Investments (Cost \$1,020,086,868) 168.3%</b>          |               | 1,092,131,745  |
| <b>Other Assets Less Liabilities 1.7%</b>                       |               | 10,819,299     |
| <b>Liability for TOB Trust Certificates, Including Interest</b> |               |                |
| <b>Expense and Fees Payable (30.9)%</b>                         |               | (200,060,576)  |
| <b>AMPS, at Redemption Value (39.1)%</b>                        |               | (254,004,140)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>            |               | \$ 648,886,328 |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.  
Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest
- (b) certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (c) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <b>Affiliate</b>                          | <b>Shares Held<br/>at July 31,<br/>2011</b> | <b>Net<br/>Activity</b> | <b>Shares Held<br/>at January 31,<br/>2012</b> | <b>Income</b> |
|-------------------------------------------|---------------------------------------------|-------------------------|------------------------------------------------|---------------|
| BIF California<br>Municipal<br>Money Fund | 7,347,551                                   | 6,966,848               | 14,314,399                                     | \$ 262        |

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

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

Financial futures contracts sold as of January 31, 2012 were as follows:

| <b>Contracts</b> | <b>Issue</b>                      | <b>Exchange</b> | <b>Expiration</b> | <b>Notional Value</b> | <b>Unrealized Depreciation</b> |
|------------------|-----------------------------------|-----------------|-------------------|-----------------------|--------------------------------|
| 75               | 10-Year US Treasury Note of Trade | Chicago Board   | March 2012        | \$9,918,750           | \$ (131,393)                   |

See Notes to Financial Statements.

14 SEMI-ANNUAL REPORT JANUARY 31, 2012



## Schedule of Investments (concluded)

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs 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 and liabilities

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 in or out of an assigned level within the disclosure hierarchy. 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 does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs         | Level 1             | Level 2                | Level 3 Total          |
|--------------------------|---------------------|------------------------|------------------------|
| <b>Assets:</b>           |                     |                        |                        |
| Investments:             |                     |                        |                        |
| Long-Term                |                     |                        |                        |
| Investments <sup>1</sup> |                     | \$1,077,817,346        | \$1,077,817,346        |
| Short-Term               |                     |                        |                        |
| Securities               | \$14,314,399        |                        | 14,314,399             |
| <b>Total</b>             | <b>\$14,314,399</b> | <b>\$1,077,817,346</b> | <b>\$1,092,131,745</b> |

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

| Valuation Inputs                            | Level 1 | Level 2 | Level 3 Total |
|---------------------------------------------|---------|---------|---------------|
| Derivate Financial Instruments <sup>2</sup> |         |         |               |

**Liabilities:**

|               |  |             |             |
|---------------|--|-------------|-------------|
| Interest rate |  |             |             |
| contracts     |  | \$(131,393) | \$(131,393) |

<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.

SEMI-ANNUAL REPORT JANUARY 31, 2012 15

Schedule of Investments January 31, 2012  
(Unaudited)

**BlackRock MuniHoldings New Jersey Quality Fund, Inc.**  
**(MUJ)**  
**(Percentages shown are based on Net Assets)**

|                                                                                                                          | <b>Par<br/>(000)</b> | <b>Value</b> |
|--------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                                   |                      |              |
| <b>New Jersey 125.8%</b>                                                                                                 |                      |              |
| <b>Corporate 3.2%</b>                                                                                                    |                      |              |
| New Jersey EDA, RB, AMT:                                                                                                 |                      |              |
| New Jersey American Water Co., Inc. Project,<br>Series A (AMBAC), 5.25%, 11/01/32                                        | \$ 3,000             | \$ 3,061,530 |
| Waste Management of New Jersey, Series A,<br>Mandatory Put Bonds, 5.30%, 6/01/15 (a)                                     | 2,500                | 2,697,800    |
| New Jersey EDA, Refunding RB, AMT:                                                                                       |                      |              |
| New Jersey American Water Co., Inc. Project,<br>Series A, AMT, 5.70%, 10/01/39                                           | 2,500                | 2,750,700    |
| New Jersey American Water Co., Inc. Project,<br>Series B, 5.60%, 11/01/34                                                | 2,150                | 2,402,367    |
|                                                                                                                          |                      | 10,912,397   |
| <b>County/City/Special District/School District 17.5%</b>                                                                |                      |              |
| Borough of Hopatcong New Jersey, GO, Refunding,<br>Sewer (AMBAC), 4.50%, 8/01/33                                         | 2,690                | 2,848,199    |
| City of Perth Amboy New Jersey, GO, CAB (AGM) (b):<br>5.22%, 7/01/32                                                     | 4,605                | 4,792,700    |
| 5.23%, 7/01/33                                                                                                           | 1,395                | 1,446,266    |
| 5.27%, 7/01/37                                                                                                           | 1,470                | 1,507,206    |
| County of Middlesex New Jersey, COP, Refunding<br>(NPFGC), 5.50%, 8/01/16                                                | 1,375                | 1,380,665    |
| County of Union New Jersey, GO:                                                                                          |                      |              |
| 4.00%, 3/01/29                                                                                                           | 2,590                | 2,833,356    |
| 4.00%, 3/01/30                                                                                                           | 2,590                | 2,800,955    |
| 4.00%, 3/01/31                                                                                                           | 2,925                | 3,131,944    |
| East Orange Board of Education, COP (AGM),<br>5.50%, 8/01/12                                                             | 1,420                | 1,435,975    |
| Edgewater Borough Board of Education, GO (AGM):                                                                          |                      |              |
| 4.25%, 3/01/34                                                                                                           | 1,235                | 1,370,319    |
| 4.25%, 3/01/35                                                                                                           | 1,300                | 1,433,510    |
| 4.30%, 3/01/36                                                                                                           | 1,370                | 1,509,480    |
| Essex County Improvement Authority, RB, County<br>Correctional Facility Project, Series A (FGIC),<br>5.00%, 10/01/13 (c) | 4,400                | 4,744,300    |
| Essex County Improvement Authority, Refunding RB,<br>Project Consolidation:                                              |                      |              |
| (AMBAC), 5.25%, 12/15/18                                                                                                 | 1,000                | 1,218,800    |
| (NPFGC), 5.50%, 10/01/27                                                                                                 | 250                  | 324,185      |
| (NPFGC), 5.50%, 10/01/28                                                                                                 | 4,840                | 6,283,724    |
| Hudson County Improvement Authority, RB:<br>County Secured, County Services Building Project                             |                      |              |

|                                                                                                                               |       |           |
|-------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| (AGM), 5.00%, 4/01/27                                                                                                         | 750   | 821,265   |
| Harrison Parking Facility Project, Series C (AGC),<br>5.25%, 1/01/39                                                          | 2,000 | 2,213,300 |
| Harrison Parking Facility Project, Series C (AGC),<br>5.38%, 1/01/44                                                          | 3,600 | 4,004,352 |
| Middlesex County Improvement Authority, RB,<br>Senior Citizens Housing Project, AMT (AMBAC),<br>5.50%, 9/01/30                | 500   | 500,570   |
| Monmouth County Improvement Authority, RB,<br>Governmental Loan (AMBAC):<br>5.35%, 12/01/17                                   | 5     | 5,016     |
| 5.38%, 12/01/18                                                                                                               | 5     | 5,016     |
| Morristown Parking Authority, RB (NPFGC):<br>5.00%, 8/01/30                                                                   | 1,830 | 1,993,950 |
| 5.00%, 8/01/33                                                                                                                | 3,000 | 3,231,150 |
| New Jersey State Transit Corp., COP, Subordinate,<br>Federal Transit Administration Grants, Series A (AGM),<br>5.00%, 9/15/21 | 2,000 | 2,135,620 |
| Newark Housing Authority, RB, South Ward Police Facility<br>(AGC), 6.75%, 12/01/38                                            | 275   | 338,508   |
| Newark Housing Authority, Refunding RB, Newark<br>Redevelopment Project (NPFGC), 4.38%, 1/01/37                               | 620   | 566,767   |

| <b>Municipal Bonds</b>        | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------|----------------------|--------------|
| <b>New Jersey (continued)</b> |                      |              |

**County/City/Special District/School District (concluded)**

|                                        |          |              |
|----------------------------------------|----------|--------------|
| South Jersey Port Corp., Refunding RB: |          |              |
| 4.50%, 1/01/15                         | \$ 3,750 | \$ 3,850,950 |
| 4.50%, 1/01/16                         | 1,920    | 1,968,499    |
|                                        |          | 60,696,547   |

**Education 17.9%**

|                                                                                                                                        |       |           |
|----------------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| New Jersey EDA, RB, International Center For Public<br>Health Project, University of Medicine and Dentistry<br>(AMBAC), 6.00%, 6/01/32 | 5,000 | 5,006,450 |
| New Jersey Educational Facilities Authority, RB:<br>Higher Education Capital Improvement, Series A<br>(AMBAC), 5.13%, 9/01/12 (c)      | 5,500 | 5,658,070 |
| Montclair State University, Series A (AMBAC),<br>5.00%, 7/01/21                                                                        | 1,200 | 1,326,012 |
| Montclair State University, Series A (AMBAC),<br>5.00%, 7/01/22                                                                        | 2,880 | 3,163,421 |
| Richard Stockton College, Series F (NPFGC),<br>5.00%, 7/01/31                                                                          | 2,625 | 2,767,170 |
| Rowan University, Series C (NPFGC),<br>5.00%, 7/01/14 (d)                                                                              | 3,260 | 3,614,427 |
| Rowan University, Series C (NPFGC),<br>5.13%, 7/01/14 (c)                                                                              | 3,615 | 4,018,868 |
| New Jersey Educational Facilities Authority, Refunding<br>RB:                                                                          |       |           |

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|                                                                                            |       |            |
|--------------------------------------------------------------------------------------------|-------|------------|
| College of New Jersey, Series D (AGM),<br>5.00%, 7/01/35                                   | 9,740 | 10,532,154 |
| Montclair State University, Series J (NPFGC),<br>4.25%, 7/01/30                            | 3,775 | 3,872,735  |
| New Jersey Institute of Technology, Series H,<br>5.00%, 7/01/31                            | 3,000 | 3,314,010  |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/31                                           | 1,250 | 1,285,287  |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/36                                           | 900   | 913,068    |
| Stevens Institute of Technology, Series A,<br>5.00%, 7/01/27                               | 2,800 | 2,952,488  |
| Stevens Institute of Technology, Series A,<br>5.00%, 7/01/34                               | 900   | 925,308    |
| William Paterson University, Series C (AGC),<br>5.00%, 7/01/28                             | 250   | 278,055    |
| William Paterson University, Series C (AGC),<br>4.75%, 7/01/34                             | 4,000 | 4,299,320  |
| Rutgers-State University of New Jersey, Refunding RB,<br>Series F, 5.00%, 5/01/39          | 1,000 | 1,102,670  |
| University of Medicine & Dentistry of New Jersey, COP<br>(NPFGC), 5.00%, 6/15/29           | 2,000 | 2,052,500  |
| University of Medicine & Dentistry of New Jersey, RB,<br>Series A (AMBAC), 5.50%, 12/01/27 | 4,740 | 4,872,957  |
|                                                                                            |       | 61,954,970 |

**Health 17.6%**

|                                                                         |        |            |
|-------------------------------------------------------------------------|--------|------------|
| New Jersey Health Care Facilities Financing Authority, RB:              |        |            |
| AHS Hospital Corp., 6.00%, 7/01/41                                      | 3,080  | 3,617,398  |
| Greystone Park Psychiatric Hospital (AMBAC),<br>5.00%, 9/15/23          | 10,775 | 11,581,940 |
| Meridian Health, Series I (AGC), 5.00%, 7/01/38                         | 765    | 806,562    |
| Meridian Health, Series II (AGC), 5.00%, 7/01/38                        | 6,360  | 6,705,539  |
| Meridian Health, Series V (AGC), 5.00%, 7/01/38                         | 3,950  | 4,164,604  |
| South Jersey Hospital, 6.00%, 7/01/12 (d)                               | 5,440  | 5,571,811  |
| Virtua Health (AGC), 5.50%, 7/01/38                                     | 3,035  | 3,322,536  |
| New Jersey Health Care Facilities Financing Authority,<br>Refunding RB: |        |            |
| AHS Hospital Corp., Series A (AMBAC),<br>6.00%, 7/01/13 (d)             | 4,000  | 4,313,720  |
| Atlantic City Medical Center, 5.75%, 7/01/12 (d)                        | 1,525  | 1,560,365  |
| Atlantic City Medical Center, 6.25%, 7/01/17 (d)                        | 925    | 970,917    |
| Atlantic City Medical Center, 5.75%, 7/01/25                            | 1,975  | 1,998,838  |

See Notes to Financial Statements.

16 SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments (continued)

**BlackRock MuniHoldings New Jersey Quality Fund,  
Inc. (MUJ)**  
 (Percentages shown are based on Net Assets)

| <b>Municipal Bonds</b>                                                              | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------------------------------------------------------|----------------------|--------------|
| <b>New Jersey (continued)</b>                                                       |                      |              |
| <b>Health (concluded)</b>                                                           |                      |              |
| New Jersey Health Care Facilities Financing Authority,<br>Refunding RB (concluded): |                      |              |
| Barnabas Health, Series A, 5.00%, 7/01/24                                           | \$ 1,820             | \$ 1,935,861 |
| Barnabas Health, Series A, 5.63%, 7/01/32 (d)                                       | 1,100                | 1,177,528    |
| Barnabas Health, Series A, 5.63%, 7/01/37                                           | 3,060                | 3,213,826    |
| Hackensack University Medical (AGC),<br>5.13%, 1/01/27                              | 1,500                | 1,644,315    |
| Hackensack University Medical (AGM),<br>4.63%, 1/01/30                              | 5,480                | 5,801,786    |
| Meridian Health System Obligation, 5.00%, 7/01/25                                   | 700                  | 801,836      |
| Meridian Health System Obligation, 5.00%, 7/01/26                                   | 1,590                | 1,798,131    |
|                                                                                     |                      | 60,987,513   |
| <b>Housing 6.5%</b>                                                                 |                      |              |
| New Jersey State Housing & Mortgage Finance<br>Agency, RB:                          |                      |              |
| Capital Fund Program, Series A (AGM),<br>4.70%, 11/01/25                            | 9,245                | 9,605,647    |
| Series A AMT (NPFGC), 4.85%, 11/01/39                                               | 935                  | 920,910      |
| Series AA, 6.50%, 10/01/38                                                          | 2,075                | 2,244,237    |
| Series B, 4.50%, 10/01/30                                                           | 7,150                | 7,393,315    |
| Series B (AGM), 1.10%, 5/01/12                                                      | 1,500                | 1,502,070    |
| Single Family Housing, Series T, AMT,<br>4.70%, 10/01/37                            | 745                  | 753,128      |
|                                                                                     |                      | 22,419,307   |
| <b>State 41.7%</b>                                                                  |                      |              |
| Garden State Preservation Trust, RB (AGM):                                          |                      |              |
| CAB, Series B, 5.12%, 11/01/23 (e)                                                  | 9,000                | 6,285,960    |
| CAB, Series B, 5.20%, 11/01/25 (e)                                                  | 10,000               | 6,406,200    |
| Election of 2005, Series A, 5.80%, 11/01/21                                         | 1,960                | 2,288,261    |
| Election of 2005, Series A, 5.80%, 11/01/23                                         | 2,730                | 3,205,894    |
| Garden State Preservation Trust, Refunding RB,<br>Series C (AGM):                   |                      |              |
| 5.25%, 11/01/20                                                                     | 5,000                | 6,402,700    |
| 5.25%, 11/01/21                                                                     | 7,705                | 9,973,121    |
| New Jersey EDA, RB:                                                                 |                      |              |
| Cigarette Tax, 5.63%, 6/15/19                                                       | 1,000                | 1,001,940    |
| Cigarette Tax (Radian), 5.75%, 6/15/29                                              | 2,000                | 2,089,880    |
| Cigarette Tax (Radian), 5.50%, 6/15/31                                              | 585                  | 606,388      |
| Cigarette Tax (Radian), 5.75%, 6/15/34                                              | 1,180                | 1,224,604    |
| Liberty State Park Project, Series C (AGM),                                         |                      |              |

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|                                                                                                     |        |            |
|-----------------------------------------------------------------------------------------------------|--------|------------|
| 5.00%, 3/01/22                                                                                      | 2,670  | 2,957,078  |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.25%, 7/01/24                                        | 1,785  | 2,165,651  |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.25%, 7/01/25                                        | 4,000  | 4,886,200  |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.25%, 7/01/26                                        | 7,500  | 9,128,250  |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.25%, 7/01/33                                        | 11,105 | 11,913,999 |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.00%, 7/01/34                                        | 2,000  | 2,065,120  |
| School Facilities Construction, Series L (AGM),<br>5.00%, 3/01/30                                   | 9,000  | 9,504,360  |
| School Facilities Construction, Series O,<br>5.25%, 3/01/23                                         | 1,420  | 1,579,253  |
| School Facilities Construction, Series Y,<br>5.00%, 9/01/33                                         | 3,000  | 3,224,130  |
| School Facilities Construction, Series Z (AGC),<br>6.00%, 12/15/34                                  | 2,800  | 3,229,716  |
| School Facilities, Series U, 5.00%, 9/01/37                                                         | 5,000  | 5,327,600  |
| School Facilities, Series U (AMBAC),<br>5.00%, 9/01/37                                              | 2,000  | 2,131,040  |
| New Jersey EDA, Refunding RB, School Facilities<br>Construction, Series N-1 (NPFGC), 5.50%, 9/01/27 | 1,000  | 1,275,780  |

**Par  
(000) Value**

**Municipal Bonds**

**New Jersey (concluded)**

**State (concluded)**

New Jersey Sports & Exposition Authority, Refunding  
RB (NPFGC):

|                |          |              |
|----------------|----------|--------------|
| 5.50%, 3/01/21 | \$ 5,890 | \$ 7,026,652 |
| 5.50%, 3/01/22 | 3,150    | 3,772,818    |

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

|                                            |        |            |
|--------------------------------------------|--------|------------|
| CAB, Series C (AGM), 4.74%, 12/15/32 (e)   | 4,050  | 1,497,487  |
| CAB, Series C (AMBAC), 5.05%, 12/15/35 (e) | 1,400  | 415,674    |
| CAB, Series C (AMBAC), 5.05%, 12/15/36 (e) | 5,500  | 1,570,965  |
| Series A, 6.00%, 6/15/35                   | 4,365  | 5,288,634  |
| Series A, 5.76%, 12/15/35 (e)              | 6,000  | 1,771,980  |
| Series A (AGC), 5.63%, 12/15/28            | 2,000  | 2,309,000  |
| Series A (AGM), 5.25%, 12/15/20            | 10,750 | 13,306,027 |
| Series A (AGM), 5.50%, 12/15/22            | 150    | 190,685    |
| Series A (NPFGC), 5.75%, 6/15/24           | 1,205  | 1,563,054  |
| Series B, 5.50%, 6/15/31                   | 1,425  | 1,685,989  |
| Series B, 5.25%, 6/15/36                   | 1,900  | 2,137,785  |
| Series B (NPFGC), 5.50%, 12/15/21          | 1,250  | 1,580,475  |

State of New Jersey, COP, Equipment Lease Purchase,  
Series A, 5.25%, 6/15/27

|       |             |
|-------|-------------|
| 1,080 | 1,217,225   |
|       | 144,207,575 |

**Tobacco 1.5%**

|                                                                          |       |           |
|--------------------------------------------------------------------------|-------|-----------|
| Tobacco Settlement Financing Corp. New Jersey, RB,<br>7.00%, 6/01/13 (d) | 4,755 | 5,182,427 |
|--------------------------------------------------------------------------|-------|-----------|

**Transportation 15.2%**

Delaware River Port Authority, RB (AGM):

Port District Project:

|                         |       |           |
|-------------------------|-------|-----------|
| Series B, 5.63%, 1/1/26 | 2,425 | 2,430,262 |
|-------------------------|-------|-----------|

|                          |       |           |
|--------------------------|-------|-----------|
| Series D, 5.00%, 1/01/40 | 3,700 | 3,998,368 |
|--------------------------|-------|-----------|

|                                                                                      |       |           |
|--------------------------------------------------------------------------------------|-------|-----------|
| Delaware River Port Authority Pennsylvania & New Jersey,<br>RB (AGM), 5.63%, 1/01/13 | 6,000 | 6,024,840 |
|--------------------------------------------------------------------------------------|-------|-----------|

|                                                                                                                 |       |           |
|-----------------------------------------------------------------------------------------------------------------|-------|-----------|
| New Jersey State Turnpike Authority, RB, Growth<br>& Income Securities, Series B (AMBAC),<br>5.15%, 1/01/15 (b) | 7,615 | 6,857,536 |
|-----------------------------------------------------------------------------------------------------------------|-------|-----------|

New Jersey State Turnpike Authority, Refunding RB:

|                                |       |           |
|--------------------------------|-------|-----------|
| Series A (AGM), 5.25%, 1/01/26 | 4,900 | 6,165,817 |
|--------------------------------|-------|-----------|

|                                |       |           |
|--------------------------------|-------|-----------|
| Series A (AGM), 5.25%, 1/01/29 | 2,000 | 2,550,500 |
|--------------------------------|-------|-----------|

|                                |       |           |
|--------------------------------|-------|-----------|
| Series A (AGM), 5.25%, 1/01/30 | 4,000 | 5,136,920 |
|--------------------------------|-------|-----------|

|                                 |     |         |
|---------------------------------|-----|---------|
| Series A (BHAC), 5.25%, 1/01/29 | 500 | 644,515 |
|---------------------------------|-----|---------|

|                                  |     |           |
|----------------------------------|-----|-----------|
| Series C (NPFGC), 6.50%, 1/01/16 | 910 | 1,084,347 |
|----------------------------------|-----|-----------|

|                                      |       |           |
|--------------------------------------|-------|-----------|
| Series C (NPFGC), 6.50%, 1/01/16 (d) | 3,385 | 3,809,716 |
|--------------------------------------|-------|-----------|

|                                           |     |         |
|-------------------------------------------|-----|---------|
| Series C-2005 (NPFGC), 6.50%, 1/01/16 (d) | 255 | 313,262 |
|-------------------------------------------|-----|---------|

|                                                                                                 |       |           |
|-------------------------------------------------------------------------------------------------|-------|-----------|
| Port Authority of New York & New Jersey, RB,<br>JFK International Air Terminal, 6.00%, 12/01/42 | 2,500 | 2,696,925 |
|-------------------------------------------------------------------------------------------------|-------|-----------|

Port Authority of New York & New Jersey, RB, Special  
Project, JFK International Air Terminal, Series 6,  
AMT (NPFGC):

|                 |       |           |
|-----------------|-------|-----------|
| 6.25%, 12/01/15 | 1,500 | 1,663,335 |
|-----------------|-------|-----------|

|                 |       |           |
|-----------------|-------|-----------|
| 5.75%, 12/01/25 | 3,000 | 2,999,850 |
|-----------------|-------|-----------|

|                                                                                                            |       |                         |
|------------------------------------------------------------------------------------------------------------|-------|-------------------------|
| Port Authority of New York & New Jersey, Refunding RB,<br>Consolidated, 152nd Series, AMT, 5.75%, 11/01/30 | 5,175 | 6,104,223<br>52,480,416 |
|------------------------------------------------------------------------------------------------------------|-------|-------------------------|

**Utilities 4.7%**

|                                                                         |       |           |
|-------------------------------------------------------------------------|-------|-----------|
| Essex County Utilities Authority, Refunding RB (AGC),<br>4.13%, 4/01/22 | 2,000 | 2,147,800 |
|-------------------------------------------------------------------------|-------|-----------|

|                                                                                    |       |           |
|------------------------------------------------------------------------------------|-------|-----------|
| North Hudson Sewerage Authority, Refunding RB,<br>Series A (NPFGC), 5.13%, 8/01/20 | 4,335 | 5,027,299 |
|------------------------------------------------------------------------------------|-------|-----------|

|                                                                                    |       |           |
|------------------------------------------------------------------------------------|-------|-----------|
| Rahway Valley Sewerage Authority, RB, CAB, Series A<br>(NPFGC), 4.79%, 9/01/28 (e) | 6,600 | 3,079,494 |
|------------------------------------------------------------------------------------|-------|-----------|

|                                                                                                          |       |                         |
|----------------------------------------------------------------------------------------------------------|-------|-------------------------|
| Union County Utilities Authority, Refunding RB, County<br>Deficiency Agreement, Series A, 5.00%, 6/15/41 | 5,415 | 6,082,020<br>16,336,613 |
|----------------------------------------------------------------------------------------------------------|-------|-------------------------|

|                                            |  |             |
|--------------------------------------------|--|-------------|
| <b>Total Municipal Bonds in New Jersey</b> |  | 435,177,765 |
|--------------------------------------------|--|-------------|

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 17

## 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>Guam 1.4%</b>                                                                                                                                                                   |              |              |
| <b>State 0.8%</b>                                                                                                                                                                  |              |              |
| Government of Guam Business Privilege, RB,<br>Series A,<br>5.13%, 1/01/42                                                                                                          | \$ 2,500     | \$ 2,719,750 |
| <b>Utilities 0.6%</b>                                                                                                                                                              |              |              |
| Guam Power Authority, Refunding RB, Series A<br>(AGM),<br>5.00%, 10/01/37                                                                                                          | 1,860        | 2,014,826    |
| <b>Total Municipal Bonds in Guam</b>                                                                                                                                               |              | 4,734,576    |
| <b>Puerto Rico 9.9%</b>                                                                                                                                                            |              |              |
| <b>Health 0.5%</b>                                                                                                                                                                 |              |              |
| Puerto Rico Industrial Tourist Educational<br>Medical<br>& Environmental Control Facilities Financing<br>Authority, RB, Series A, Hospital De La<br>Concepcion,<br>6.50%, 11/15/20 | 1,750        | 1,757,140    |
| <b>State 5.4%</b>                                                                                                                                                                  |              |              |
| Commonwealth of Puerto Rico, GO, Refunding,<br>Public<br>Improvement, Series C, 6.00%, 7/01/39                                                                                     | 2,080        | 2,288,562    |
| Puerto Rico Commonwealth Infrastructure<br>Financing Authority, RB, CAB, Series A<br>(AMBAC),<br>4.38%, 7/01/37 (e)                                                                | 4,000        | 818,240      |
| Puerto Rico Public Buildings Authority,<br>Refunding RB,<br>Government Facilities, Series M-3 (NPFGC),<br>6.00%, 7/01/27                                                           | 2,125        | 2,386,354    |
| Puerto Rico Sales Tax Financing Corp., RB:<br>First Sub-Series A , 5.50%, 8/01/42                                                                                                  | 1,300        | 1,425,853    |
| First Sub-Series A, 6.00%, 8/01/42                                                                                                                                                 | 2,500        | 2,828,150    |
| First Sub-Series A-1, 5.25%, 8/01/43                                                                                                                                               | 2,130        | 2,326,407    |
| First Sub-Series C (AGM), 5.13%, 8/01/42                                                                                                                                           | 6,120        | 6,621,167    |
|                                                                                                                                                                                    |              | 18,694,733   |
| <b>Transportation 1.3%</b>                                                                                                                                                         |              |              |
| Puerto Rico Highway & Transportation<br>Authority,                                                                                                                                 | 3,750        | 4,476,075    |



Refunding RB, Series CC (AGC), 5.50%,  
7/01/31

**Utilities 2.7%**

Puerto Rico Aqueduct & Sewer Authority, RB,  
Senior Lien,

Series A (AGC), 5.13%, 7/01/47 3,250 3,419,325

Puerto Rico Electric Power Authority, RB, Series  
RR

(CIFG), 5.00%, 7/01/28 4,100 4,244,156

Puerto Rico Electric Power Authority, Refunding  
RB,

Series VV (NPFGC), 5.25%, 7/01/26 1,325 1,541,518  
9,204,999

**Total Municipal Bonds in Puerto Rico** 34,132,947

**Total Municipal Bonds 137.1%** 474,045,288

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (f)**

**New Jersey 16.3%**

**Housing 1.6%**

New Jersey State Housing & Mortgage Finance  
Agency, RB, Capital Fund Program, Series A  
(AGM),

5.00%, 5/01/27 4,790 5,391,959

**State 3.5%**

Garden State Preservation Trust, RB, Election of  
2005,

Series A (AGM), 5.75%, 11/01/28 9,160 12,227,959

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (f)**

**New Jersey (concluded)**

**Transportation 7.3%**

Port Authority of New York & New Jersey, RB,  
Consolidated, 163rd Series, 5.00%, 7/15/39

\$ 11,456 \$ 12,855,928

Port Authority of New York & New Jersey, Refunding RB,  
Consolidated, AMT:

Consolidated, 106th Series, 5.00%, 10/15/41 5,500 5,879,995

Consolidated, 152nd Series, 5.25%, 11/01/35 5,998 6,519,270

25,255,193

**Utilities 3.9%**

Union County Utilities Authority, Refunding RB, Covanta  
Union, Series A, AMT, 5.25%, 12/01/31

12,370 13,521,523

**Total Municipal Bonds in New Jersey** 56,396,634

**Puerto Rico 0.4%**

**State 0.4%**

Puerto Rico Sales Tax Financing Corp., RB, Series C,  
5.25%, 8/01/40

1,270 \$ 1,410,348

**Total Municipal Bonds in Puerto Rico** 1,410,348

**Total Municipal Bonds Transferred to**

**Tender Option Bond Trusts 16.7%**

57,806,982

**Total Long-Term Investments**

**(Cost \$488,854,847) 153.8%**

531,852,270

**Short-Term Securities****Shares**

BIF New Jersey Municipal Money Fund,  
0.00% (g)(h)

10,688,194 10,688,194

**Total Short-Term Securities**

**(Cost \$10,688,194) 3.1%**

10,688,194

**Total Investments (Cost \$499,543,041) 156.9%**

542,540,464

**Other Assets Less Liabilities 1.3%**

4,655,482

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

**Expense and Fees Payable (8.3)%**

(28,603,944)

**VRDP Shares, at Liquidation Value (49.9)%**

(172,700,000)

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

\$ 345,892,002

- (a) Variable rate security. Rate shown is as of report date.
- (b) 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.
- (c) Security is collateralized by Municipal or US Treasury obligations.
- (d) US 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.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

18SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments (concluded)

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

- (g) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <b>Affiliate</b>                          | <b>Shares Held<br/>at July 31,<br/>2011</b> | <b>Net<br/>Activity</b> | <b>Shares Held<br/>at January 31,<br/>2012</b> | <b>Income</b> |
|-------------------------------------------|---------------------------------------------|-------------------------|------------------------------------------------|---------------|
| BIF New Jersey<br>Municipal<br>Money Fund | 9,941,803                                   | 746,391                 | 10,688,194                                     | \$2,105       |

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

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

Financial futures contracts sold as of January 31, 2012 were as follows:

| <b>Contracts</b> | <b>Issue</b>                | <b>Exchange</b>           | <b>Expiration</b> | <b>Notional Value</b> | <b>Unrealized Depreciation</b> |
|------------------|-----------------------------|---------------------------|-------------------|-----------------------|--------------------------------|
| 40               | 10-Year US<br>Treasury Note | Chicago Board<br>of Trade | March<br>2012     | \$5,290,000           | \$ (70,076)                    |

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs 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 and liabilities

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 in or out of an assigned level within the disclosure hierarchy. 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 does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| <b>Valuation Inputs</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3 Total</b> |
|--------------------------|----------------|----------------|----------------------|
| <b>Assets:</b>           |                |                |                      |
| Investments:             |                |                |                      |
| Long-Term                |                |                |                      |
| Investments <sup>1</sup> |                | \$531,852,270  | \$531,852,270        |
| Short-Term               |                |                |                      |
| Securities               | \$10,688,194   |                | 10,688,194           |

|              |              |               |               |
|--------------|--------------|---------------|---------------|
| <b>Total</b> | \$10,688,194 | \$531,852,270 | \$542,540,464 |
|--------------|--------------|---------------|---------------|

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

**Valuation Inputs Level 1 Level 2 Level 3 Total**

Derivate Financial

Instruments<sup>2</sup>

**Liabilities:**

Interest rate

|           |             |             |
|-----------|-------------|-------------|
| contracts | \$ (70,076) | \$ (70,076) |
|-----------|-------------|-------------|

<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.

SEMI-ANNUAL REPORT JANUARY 31, 2012 19

## Schedule of Investments January 31, 2012 (Unaudited)

**BlackRock MuniYield Investment Quality  
Fund (MFT)**  
 (Percentages shown are based on Net Assets)

|                                                                                                                           | <b>Par<br/>(000)</b> | <b>Value</b> |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                                    |                      |              |
| <b>Alabama 4.3%</b>                                                                                                       |                      |              |
| Birmingham Special Care Facilities Financing Authority,<br>RB (AGC), 6.00%, 6/01/39                                       | \$ 2,985             | \$ 3,423,496 |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children's Hospital (AGC), 6.13%, 6/01/34                  | 1,500                | 1,733,760    |
| Selma Industrial Development Board, RB, International<br>Paper Company Project, 5.38%, 12/01/35                           | 375                  | 392,018      |
|                                                                                                                           |                      | 5,549,274    |
| <b>California 18.5%</b>                                                                                                   |                      |              |
| California Health Facilities Financing Authority, RB,<br>5.00%, 11/15/40                                                  | 165                  | 177,278      |
| California Health Facilities Financing Authority, Refunding<br>RB, Sutter Health, Series B, 6.00%, 8/15/42                | 1,150                | 1,324,846    |
| California State Educational Facilities Authority,<br>RB, University of Southern California, Series A,<br>5.25%, 10/01/38 | 1,960                | 2,204,432    |
| California State Public Works Board, RB, Various Capital<br>Projects, Series G-1 (AGC), 5.25%, 10/01/24                   | 2,000                | 2,316,460    |
| California State University, RB, Systemwide, Series A<br>(AGM), 5.00%, 11/01/39                                           | 1,000                | 1,067,290    |
| City of San Jose California, RB, AMT:<br>Series A-1, 5.50%, 3/01/30                                                       | 1,600                | 1,739,296    |
| Series A-1, 6.25%, 3/01/34                                                                                                | 1,250                | 1,441,800    |
| County of Sacramento California, RB, Senior, Series A<br>(AGC), 5.50%, 7/01/41                                            | 1,400                | 1,523,550    |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series A (FGIC), 5.00%, 8/01/32               | 2,780                | 3,040,792    |
| Election of 2008, Series C, 5.25%, 8/01/39                                                                                | 500                  | 572,950      |
| Redondo Beach Unified School District, GO, Election<br>of 2008, Series E, 5.50%, 8/01/34                                  | 1,000                | 1,169,270    |
| San Bernardino Community College District, GO, Election<br>of 2002, Series A, 6.25%, 8/01/33                              | 840                  | 1,005,068    |
| San Diego Public Facilities Financing Authority,<br>Refunding RB, Series B (AGC), 5.38%, 8/01/34                          | 1,020                | 1,180,874    |
| San Jacinto Unified School District, GO, Election<br>of 2006 (AGM), 5.25%, 8/01/32                                        | 1,000                | 1,090,520    |
| State of California, GO, Various Purpose (AGC),<br>5.50%, 11/01/39                                                        | 3,450                | 3,852,580    |
|                                                                                                                           |                      | 23,707,006   |
| <b>Colorado 1.5%</b>                                                                                                      |                      |              |
| Colorado Health Facilities Authority, RB, Hospital<br>NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26                   | 1,300                | 1,537,315    |
| Regional Transportation District, COP, Series A,                                                                          |                      |              |

|                |     |           |
|----------------|-----|-----------|
| 5.00%, 6/01/25 | 305 | 344,772   |
|                |     | 1,882,087 |

**Florida 6.2%**

|                                                                                                              |       |           |
|--------------------------------------------------------------------------------------------------------------|-------|-----------|
| City of Gainesville Florida, Refunding RB, Series C,<br>5.25%, 10/01/34                                      | 2,000 | 2,270,800 |
| County of Lee Florida, Refunding ARB, Series A, AMT,<br>5.38%, 10/01/32                                      | 1,000 | 1,080,120 |
| Florida Housing Finance Corp., HRB, Brittany Rosemont<br>Apartments, Series C-1, AMT (AMBAC), 6.75%, 8/01/14 | 285   | 285,650   |
| Manatee County Housing Finance Authority, RB,<br>Series A, AMT (Fannie Mae), 5.90%, 9/01/40                  | 540   | 606,274   |
| Orange County Health Facilities Authority, RB, The<br>Nemours Foundation Project, Series A, 5.00%, 1/01/29   | 1,000 | 1,098,500 |
| Village Center Community Development District, RB,<br>Series A (NPFGC):                                      |       |           |
| 5.38%, 11/01/34                                                                                              | 1,640 | 1,623,928 |
| 5.13%, 11/01/36                                                                                              | 1,000 | 950,830   |
|                                                                                                              |       | 7,916,102 |

**Illinois 15.6%**

|                                                        |       |           |
|--------------------------------------------------------|-------|-----------|
| Chicago Board of Education Illinois, GO, Series A (a): |       |           |
| 5.50%, 12/01/39                                        | 1,500 | 1,699,620 |
| 5.00%, 12/01/41                                        | 1,000 | 1,070,590 |

| <b>Municipal Bonds</b>                                                                   | <b>Par<br/>(000)</b> | <b>Value</b> |
|------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Illinois (concluded)</b>                                                              |                      |              |
| Chicago Transit Authority, RB, Sales Tax Receipts,<br>5.25%, 12/01/36 (a)                | \$ 425               | \$ 475,150   |
| City of Chicago Illinois, RB, General, Third Lien:<br>Series A, 5.75%, 1/01/39           | 770                  | 878,878      |
| Series C (AGC), 5.25%, 1/01/38                                                           | 525                  | 592,021      |
| City of Chicago Illinois, Refunding RB, General,<br>Third Lien, Series C, 6.50%, 1/01/41 | 3,680                | 4,447,059    |
| City of Chicago Illinois Transit Authority, RB:<br>Sales Tax Receipts, 5.25%, 12/01/40   | 1,215                | 1,355,199    |
| Federal Transit Administration Section 5309,<br>Series A (AGC), 6.00%, 6/01/26           | 1,400                | 1,660,442    |
| Illinois Finance Authority, Refunding RB, Carle<br>Foundation, Series A, 6.00%, 8/15/41  | 1,555                | 1,695,199    |
| Illinois Municipal Electric Agency, RB, Series A (FGIC):<br>5.25%, 2/01/28               | 1,565                | 1,708,370    |
| 5.25%, 2/01/35                                                                           | 1,000                | 1,066,400    |
| Railsplitter Tobacco Settlement Authority, RB:<br>5.50%, 6/01/23                         | 940                  | 1,072,465    |
| 6.00%, 6/01/28                                                                           | 270                  | 302,756      |
| State of Illinois, RB, Build Illinois, Series B,<br>5.25%, 6/15/28                       | 1,750                | 1,991,255    |
|                                                                                          |                      | 20,015,404   |

**Indiana 7.1%**

|                                                                                                                    |       |           |
|--------------------------------------------------------------------------------------------------------------------|-------|-----------|
| Indiana Finance Authority Waste Water Utility, RB, CWA<br>Authority Project, First Lien, Series A, 5.25%, 10/01/31 | 1,830 | 2,111,747 |
|--------------------------------------------------------------------------------------------------------------------|-------|-----------|

|                                                                                                                   |       |            |
|-------------------------------------------------------------------------------------------------------------------|-------|------------|
| Indiana Municipal Power Agency, RB, Series A (NPFGC),                                                             |       |            |
| 5.00%, 1/01/42                                                                                                    | 1,485 | 1,565,546  |
| Indianapolis Local Public Improvement Bond Bank, RB, Series K (AGM), 5.00%, 6/01/25                               |       |            |
|                                                                                                                   | 1,440 | 1,658,448  |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38 |       |            |
|                                                                                                                   | 3,310 | 3,711,304  |
|                                                                                                                   |       | 9,047,045  |
| <b>Iowa 0.6%</b>                                                                                                  |       |            |
| Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29                                    |       |            |
|                                                                                                                   | 700   | 773,990    |
| <b>Louisiana 0.5%</b>                                                                                             |       |            |
| New Orleans Aviation Board Louisiana, Refunding RB, GARB Restructuring:                                           |       |            |
| Series A-1, (AGO), 6.00%, 1/01/23                                                                                 | 375   | 451,279    |
| Series A-2, 6.00%, 1/01/23                                                                                        | 160   | 192,545    |
|                                                                                                                   |       | 643,824    |
| <b>Michigan 14.1%</b>                                                                                             |       |            |
| City of Detroit Michigan, RB:                                                                                     |       |            |
| Second Lien, Series A (BHAC), 5.50%, 7/01/36                                                                      | 2,265 | 2,505,430  |
| Second Lien, Series B (AGM), 6.25%, 7/01/36                                                                       | 1,800 | 2,087,676  |
| Second Lien, Series B (FGIC), 5.50%, 7/01/29                                                                      | 1,640 | 1,843,885  |
| Senior Lien, Series B (BHAC), 5.50%, 7/01/35                                                                      | 3,750 | 4,112,100  |
| Sewage Disposal System, Senior Lien, Series B (AGM), 7.50%, 7/01/33                                               |       |            |
|                                                                                                                   | 660   | 833,085    |
| City of Detroit Michigan, Refunding RB, Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27                             |       |            |
|                                                                                                                   | 1,650 | 2,043,773  |
| Michigan State Building Authority, RB, Facilities Program,                                                        |       |            |
| Series H (AGM), 5.00%, 10/15/26                                                                                   | 375   | 426,296    |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC):                              |       |            |
| 5.25%, 10/15/22                                                                                                   | 1,350 | 1,590,557  |
| 5.25%, 10/15/24                                                                                                   | 615   | 715,097    |
| 5.25%, 10/15/25                                                                                                   | 310   | 358,831    |
| Royal Oak Hospital Finance Authority Michigan, Refunding                                                          |       |            |
| RB, William Beaumont Hospital, 8.25%, 9/01/39                                                                     | 1,265 | 1,564,324  |
|                                                                                                                   |       | 18,081,054 |
| <b>Minnesota 2.8%</b>                                                                                             |       |            |
| City of Minneapolis Minnesota, Refunding RB, Series B (AGC), 6.50%, 11/15/38                                      |       |            |
|                                                                                                                   | 3,000 | 3,541,440  |

See Notes to Financial Statements.

20SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments (continued)

**BlackRock MuniYield Investment Quality Fund  
(MFT)**  
**(Percentages shown are based on Net Assets)**

|                                                                                                                                                      | <b>Par<br/>(000)</b> | <b>Value</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                                                               |                      |              |
| <b>Nevada 5.6%</b>                                                                                                                                   |                      |              |
| Clark County Water Reclamation District, GO, Series A,<br>5.25%, 7/01/34                                                                             | \$ 2,000             | \$ 2,246,280 |
| County of Clark Nevada, RB:<br>Las Vegas-McCarran International Airport, Series A<br>(AGM), 5.25%, 7/01/39                                           | 1,675                | 1,826,504    |
| Subordinate Lien, Series A-2 (FGIC),<br>5.00%, 7/01/36                                                                                               | 3,000                | 3,078,780    |
|                                                                                                                                                      |                      | 7,151,564    |
| <b>New Jersey 3.1%</b>                                                                                                                               |                      |              |
| New Jersey Health Care Facilities Financing Authority,<br>RB, Virtua Health (AGC), 5.50%, 7/01/38                                                    | 1,400                | 1,532,636    |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System:<br>5.25%, 6/15/36                                                      | 1,000                | 1,125,150    |
| Series A, 5.50%, 6/15/41                                                                                                                             | 1,195                | 1,371,131    |
|                                                                                                                                                      |                      | 4,028,917    |
| <b>New York 6.7%</b>                                                                                                                                 |                      |              |
| New York City Municipal Water Finance Authority, RB:<br>Second General Resolution Fiscal 2,<br>5.00%, 6/15/44                                        | 1,000                | 1,113,660    |
| Series FF-2, 5.50%, 6/15/40                                                                                                                          | 1,545                | 1,778,851    |
| New York City Transitional Finance Authority, RB,<br>Fiscal 2009:<br>Series S-3, 5.25%, 1/15/39                                                      | 1,000                | 1,105,890    |
| Series S-4 (AGC), 5.50%, 1/15/29                                                                                                                     | 2,000                | 2,334,980    |
| New York State Dormitory Authority, RB, General Purpose,<br>Series C, 5.00%, 3/15/41                                                                 | 2,035                | 2,285,061    |
|                                                                                                                                                      |                      | 8,618,442    |
| <b>Pennsylvania 6.3%</b>                                                                                                                             |                      |              |
| City of Philadelphia Pennsylvania, RB, Series C (AGM):<br>5.00%, 8/01/35                                                                             | 1,615                | 1,778,066    |
| 5.00%, 8/01/40                                                                                                                                       | 2,880                | 3,148,733    |
| Pennsylvania Turnpike Commission, RB, Sub-Series A,<br>6.00%, 12/01/41                                                                               | 2,000                | 2,231,180    |
| Philadelphia Hospitals & Higher Education Facilities<br>Authority, RB, The Children's Hospital of Philadelphia<br>Project, Series D,, 5.00%, 7/01/32 | 870                  | 963,595      |
|                                                                                                                                                      |                      | 8,121,574    |
| <b>Puerto Rico 1.3%</b>                                                                                                                              |                      |              |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 6.38%, 8/01/39                                                                     | 1,425                | 1,663,531    |
| <b>Texas 21.6%</b>                                                                                                                                   |                      |              |



|                                                                                                                   |       |           |
|-------------------------------------------------------------------------------------------------------------------|-------|-----------|
| Austin Community College District, RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/33          | 2,250 | 2,473,020 |
| City of Austin Texas, Refunding RB, Series A (AGM): 5.00%, 11/15/28                                               | 720   | 828,094   |
| 5.00%, 11/15/29                                                                                                   | 915   | 1,041,773 |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC): 6.00%, 11/15/35                        | 2,700 | 3,254,094 |
| 6.00%, 11/15/36                                                                                                   | 2,055 | 2,467,747 |
| 5.38%, 11/15/38                                                                                                   | 1,000 | 1,132,020 |
| Clifton Higher Education Finance Corp., Refunding RB, Baylor University, 5.25%, 3/01/32                           | 1,235 | 1,423,696 |
| County of Bexar Texas, RB, Venue Project, Motor Vehicle Rental (BHAC): 5.00%, 8/15/27                             | 1,040 | 1,168,170 |
| 5.00%, 8/15/28                                                                                                    | 1,090 | 1,218,554 |
| Frisco ISD Texas, GO, School Building (AGC), 5.50%, 8/15/41                                                       | 1,210 | 1,376,847 |
| Harris County Cultural Education Facilities Finance Corp., RB, Texas Children's Hospital Project, 5.25%, 10/01/29 | 800   | 914,776   |

| <b>Municipal Bonds</b>                                                                                                         | <b>Par<br/>(000)</b> | <b>Value</b> |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Texas (concluded)</b>                                                                                                       |                      |              |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.25%, 12/01/35 | \$ 500               | \$ 594,970   |
| Lubbock Cooper ISD Texas, GO, School Building (AGC), 5.75%, 2/15/42                                                            | 500                  | 564,985      |
| North Texas Tollway Authority, RB: Series K-1 (AGC), 5.75%, 1/01/38                                                            | 1,400                | 1,572,774    |
| Special Projects System, Series A, 5.50%, 9/01/41                                                                              | 3,120                | 3,607,718    |
| North Texas Tollway Authority, Refunding RB, System, First Tier: (AGM), 6.00%, 1/01/43                                         | 1,000                | 1,170,810    |
| Series A (AGC), 5.75%, 1/01/40                                                                                                 | 1,500                | 1,660,335    |
| Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37      | 1,100                | 1,270,434    |
|                                                                                                                                |                      | 27,740,817   |
| <b>Utah 0.8%</b>                                                                                                               |                      |              |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41                                                            | 1,000                | 1,076,650    |
| <b>Virginia 1.0%</b>                                                                                                           |                      |              |
| Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35                                                        | 1,100                | 1,301,157    |
| <b>Washington 1.6%</b>                                                                                                         |                      |              |
| City of Seattle Washington, Refunding RB, Series A, 5.25%, 2/01/36                                                             | 1,000                | 1,149,930    |

|                                                                       |     |                      |
|-----------------------------------------------------------------------|-----|----------------------|
| State of Washington, GO, Various Purpose, Series B,<br>5.25%, 2/01/36 | 725 | 838,586<br>1,988,516 |
| <b>Total Municipal Bonds 119.2%</b>                                   |     | 152,848,394          |

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (b)**

**Alabama 1.2%**

|                                                                            |       |           |
|----------------------------------------------------------------------------|-------|-----------|
| Mobile Board of Water & Sewer Commissioners, RB<br>(NPFGC), 5.00%, 1/01/31 | 1,500 | 1,591,230 |
|----------------------------------------------------------------------------|-------|-----------|

**California 2.1%**

|                                                                                                |       |           |
|------------------------------------------------------------------------------------------------|-------|-----------|
| San Diego Community College District California, GO,<br>Election of 2002 (AGM), 5.00%, 5/01/30 | 2,500 | 2,741,400 |
|------------------------------------------------------------------------------------------------|-------|-----------|

**District of Columbia 0.7%**

|                                                                                |     |         |
|--------------------------------------------------------------------------------|-----|---------|
| District of Columbia Water & Sewer Authority, RB,<br>Series A, 6.00%, 10/01/35 | 750 | 936,955 |
|--------------------------------------------------------------------------------|-----|---------|

**Florida 3.7%**

|                                                                                   |       |           |
|-----------------------------------------------------------------------------------|-------|-----------|
| City of Jacksonville Florida, RB, Better Jacksonville<br>(NPFGC), 5.00%, 10/01/27 | 1,320 | 1,396,190 |
|-----------------------------------------------------------------------------------|-------|-----------|

|                                                                                        |       |           |
|----------------------------------------------------------------------------------------|-------|-----------|
| Hillsborough County Aviation Authority, RB, Series A,<br>AMT<br>(AGC), 5.50%, 10/01/38 | 2,499 | 2,643,203 |
|----------------------------------------------------------------------------------------|-------|-----------|

|                                                                                                                    |     |                      |
|--------------------------------------------------------------------------------------------------------------------|-----|----------------------|
| Lee County Housing Finance Authority, RB, Multi-County<br>Program, Series A-2, AMT (Ginnie Mae),<br>6.00%, 9/01/40 | 645 | 689,421<br>4,728,814 |
|--------------------------------------------------------------------------------------------------------------------|-----|----------------------|

**Illinois 2.6%**

|                                                                                                               |       |           |
|---------------------------------------------------------------------------------------------------------------|-------|-----------|
| Chicago Transit Authority, Refunding RB, Federal Transit<br>Administration Section 5309 (AGM), 5.00%, 6/01/28 | 2,999 | 3,271,848 |
|---------------------------------------------------------------------------------------------------------------|-------|-----------|

**Kentucky 0.9%**

|                                                                                                      |       |           |
|------------------------------------------------------------------------------------------------------|-------|-----------|
| Kentucky State Property & Building Commission,<br>Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27 | 1,002 | 1,155,887 |
|------------------------------------------------------------------------------------------------------|-------|-----------|

**Massachusetts 1.8%**

|                                                                                       |       |           |
|---------------------------------------------------------------------------------------|-------|-----------|
| Massachusetts School Building Authority, RB, Senior,<br>Series B, 5.00%, 10/15/41 (a) | 2,040 | 2,313,217 |
|---------------------------------------------------------------------------------------|-------|-----------|

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 21

## Schedule of Investments (concluded)

**BlackRock MuniYield Investment Quality Fund  
(MFT)**  
 (Percentages shown are based on Net Assets)

| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (b)</b>                                         | <b>Par<br/>(000)</b> | <b>Value</b> |
|-----------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Nevada 7.5%</b>                                                                                              |                      |              |
| Clark County Water Reclamation District, GO:<br>Limited Tax, 6.00%, 7/01/38                                     | \$ 2,010             | \$2,351,861  |
| Series B, 5.50%, 7/01/29                                                                                        | 1,994                | 2,345,510    |
| Las Vegas Valley Water District, GO, Refunding, Series C,<br>5.00%, 6/01/28                                     | 4,200                | 4,857,006    |
|                                                                                                                 |                      | 9,554,377    |
| <b>New Jersey 2.3%</b>                                                                                          |                      |              |
| New Jersey EDA, RB, School Facilities Construction,<br>Series Z (AGC), 6.00%, 12/15/34                          | 1,000                | 1,153,470    |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, S/F Housing, Series CC, 5.25%, 10/01/29              | 1,620                | 1,738,164    |
|                                                                                                                 |                      | 2,891,634    |
| <b>New York 13.3%</b>                                                                                           |                      |              |
| Hudson New York Yards Infrastructure Corp., RB,<br>Series A, 5.75%, 2/15/47                                     | 1,000                | 1,129,915    |
| New York City Municipal Water Finance Authority, RB:<br>Second General Resolution, Series BB,<br>5.25%, 6/15/44 | 2,999                | 3,425,458    |
| Series FF-2, 5.50%, 6/15/40                                                                                     | 1,095                | 1,260,436    |
| New York Liberty Development Corp., RB, 1 World Trade<br>Center Port Authority Construction, 5.25%, 12/15/43    | 3,000                | 3,408,090    |
| New York Liberty Development Corp., Refunding RB,<br>5.75%, 11/15/51                                            | 1,770                | 2,014,136    |
| New York State Dormitory Authority, ERB, Series B,<br>5.25%, 3/15/38                                            | 3,250                | 3,638,277    |
| New York State Thruway Authority, RB, Series G (AGM),<br>5.00%, 1/01/32                                         | 2,000                | 2,186,420    |
|                                                                                                                 |                      | 17,062,732   |
| <b>Puerto Rico 1.0%</b>                                                                                         |                      |              |
| Puerto Rico Sales Tax Financing Corp., RB, Series C,<br>5.25%, 8/01/40                                          | 1,200                | 1,332,612    |
| <b>Texas 2.4%</b>                                                                                               |                      |              |
| City of San Antonio Texas, Refunding RB, Series A,<br>5.25%, 2/01/31                                            | 2,609                | 3,020,508    |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 39.5%</b>                                 |                      | 50,601,214   |
| <b>Total Long-Term Investments<br/>(Cost \$184,670,962) 158.7%</b>                                              |                      | 203,449,608  |

**Short-Term Securities****Shares**

|                                                                                                  |           |               |
|--------------------------------------------------------------------------------------------------|-----------|---------------|
| FFI Institutional Tax-Exempt Fund, 0.01% (c)(d)                                                  | 4,599,576 | 4,599,576     |
| <b>Total Short-Term Securities</b>                                                               |           |               |
| (Cost \$4,599,576) 3.6%                                                                          |           | 4,599,576     |
| <b>Total Investments (Cost \$189,270,538) 162.3%</b>                                             |           | 208,049,184   |
| <b>Other Assets Less Liabilities 1.0%</b>                                                        |           | 1,382,931     |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (19.2)%</b> |           | (24,780,575 ) |
| <b>VMTP Shares, at Liquidation Value (44.1)%</b>                                                 |           | (56,500,000 ) |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                             |           | \$128,151,540 |

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

| Counterparty             | Value       | Unrealized<br>Appreciation |
|--------------------------|-------------|----------------------------|
| Jeffries & Company, Inc. | \$2,770,210 | \$167,315                  |
| Wells Fargo              | \$ 475,150  | \$ 37,672                  |
| Barclays Capital, Inc.   | \$2,313,217 | \$143,824                  |

(b) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(c) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held<br>at July 31,<br>2011 | Net<br>Activity | Shares Held<br>at January 31,<br>2012 | Income |
|--------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|
| FFI Institutional<br>Tax-Exempt Fund | 6,706,791                          | (2,107,215)     | 4,599,576                             | \$324  |

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

Financial futures contracts sold as of January 31, 2012 were as follows:

| Contracts | Issue                       | Exchange                  | Expiration    | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-----------------------------|---------------------------|---------------|-------------------|----------------------------|
| 43        | 10-Year US<br>Treasury Note | Chicago Board<br>of Trade | March<br>2012 | \$5,686,750       | \$ (75,332)                |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs 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 and liabilities

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 in or out of an assigned level within the disclosure hierarchy. 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 does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| <b>Valuation Inputs</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--------------------------|----------------|----------------|----------------|---------------|
| <b>Assets:</b>           |                |                |                |               |
| Investments:             |                |                |                |               |
| Long-Term                |                |                |                |               |
| Investments <sup>1</sup> |                | \$203,449,608  |                | \$203,449,608 |
| Short-Term               |                |                |                |               |
| Securities               | \$4,599,576    |                |                | 4,599,576     |
| <b>Total</b>             | \$4,599,576    | \$203,449,608  |                | \$208,049,184 |

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

**Valuation Inputs Level 1 Level 2 Level 3 Total**

|                          |             |  |  |            |
|--------------------------|-------------|--|--|------------|
| Derivate Financial       |             |  |  |            |
| Instruments <sup>2</sup> |             |  |  |            |
| <b>Liabilities:</b>      |             |  |  |            |
| Interest rate            |             |  |  |            |
| contracts                | \$ (75,332) |  |  | \$(75,332) |

<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.

22 SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments January 31, 2012 (Unaudited)

**BlackRock MuniYield Michigan Quality Fund,  
Inc. (MIY)**  
 (Percentages shown are based on Net Assets)

|                                                                                                          | <b>Par<br/>(000)</b> | <b>Value</b>             |
|----------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| <b>Municipal Bonds</b>                                                                                   |                      |                          |
| <b>Michigan 131.1%</b>                                                                                   |                      |                          |
| <b>Corporate 6.8%</b>                                                                                    |                      |                          |
| Delta County EDC, Refunding RB, Mead Westvaco-Escanaba, Series B, AMT, 6.45%, 4/15/23 (a)                | \$ 1,500             | \$ 1,519,230             |
| Dickinson County EDC, Michigan, Refunding RB, International Paper Co. Project, Series A, 5.75%, 6/01/16  | 3,900                | 3,949,374                |
| Monroe County EDC, Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22 | 10,695               | 14,406,272<br>19,874,876 |
| <b>County/City/Special District/School District 35.0%</b>                                                |                      |                          |
| Adrian City School District Michigan, GO (AGM) (a): 5.00%, 5/01/29                                       | 2,000                | 2,203,800                |
| 5.00%, 5/01/34                                                                                           | 1,600                | 1,763,040                |
| Anchor Bay School District, GO, Refunding (Q-SBLF): 4.13%, 5/01/25                                       | 3,000                | 3,257,340                |
| 4.25%, 5/01/26                                                                                           | 1,800                | 1,946,772                |
| 4.38%, 5/01/27                                                                                           | 960                  | 1,039,104                |
| 4.38%, 5/01/28                                                                                           | 600                  | 645,330                  |
| 4.50%, 5/01/29                                                                                           | 900                  | 972,027                  |
| Bay City School District Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/36                      | 2,800                | 2,935,044                |
| Birmingham City School District Michigan, GO, School Building & Site (AGM), 5.00%, 11/01/33              | 1,000                | 1,039,480                |
| Charter Township of Canton Michigan, GO, Capital Improvement (AGM): 5.00%, 4/01/25                       | 1,840                | 2,020,210                |
| 5.00%, 4/01/26                                                                                           | 2,000                | 2,182,840                |
| 5.00%, 4/01/27                                                                                           | 500                  | 543,220                  |
| City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30                                | 500                  | 535,270                  |
| Comstock Park Public Schools, GO, School Building & Site, Series B (Q-SBLF): 5.50%, 5/01/36              | 750                  | 845,490                  |
| 5.50%, 5/01/41                                                                                           | 1,355                | 1,525,283                |
| County of Genesee Michigan, GO, Water Supply System (NPFGC), 5.13%, 11/01/33                             | 1,000                | 1,023,360                |
| County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19                              | 600                  | 657,816                  |
| Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC),             |                      |                          |

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|                                                                                                                            |       |           |
|----------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 5.50%, 5/01/39                                                                                                             | 3,300 | 3,665,640 |
| Detroit City School District Michigan, GO, School Building<br>& Site Improvement (FGIC):                                   |       |           |
| Series A, 5.38%, 5/01/24 (a)                                                                                               | 1,300 | 1,382,420 |
| Series B, 5.00%, 5/01/28                                                                                                   | 2,850 | 2,894,004 |
| Eaton Rapids Public Schools Michigan, GO, School<br>Building & Site (AGM):                                                 |       |           |
| 5.25%, 5/01/20                                                                                                             | 1,325 | 1,452,134 |
| 5.25%, 5/01/21                                                                                                             | 1,675 | 1,835,716 |
| Flint Economic Development Corp., RB, Michigan<br>Department of Human Services Office Building Project,<br>5.25%, 10/01/41 |       |           |
|                                                                                                                            | 3,070 | 3,185,248 |
| Fraser Public School District, GO, School Building<br>& Site (AGM), 5.00%, 5/01/25                                         |       |           |
|                                                                                                                            | 2,000 | 2,205,560 |
| Gibraltar School District Michigan, GO, School Building<br>& Site Improvement:                                             |       |           |
| (FGIC), 5.00%, 5/01/28 (a)                                                                                                 | 2,940 | 3,239,586 |
| (NPFGC), 5.00%, 5/01/28                                                                                                    | 710   | 738,279   |
| Goodrich Area School District, GO, School Building<br>& Site (Q-SBLF):                                                     |       |           |
| 5.50%, 5/01/32                                                                                                             | 600   | 691,530   |
| 5.50%, 5/01/36                                                                                                             | 1,200 | 1,356,780 |
| 5.50%, 5/01/41                                                                                                             | 1,575 | 1,775,529 |

|                             | Par<br>(000) | Value |
|-----------------------------|--------------|-------|
| <b>Municipal Bonds</b>      |              |       |
| <b>Michigan (continued)</b> |              |       |

**County/City/Special District/School District  
(concluded)**

|                                                                                                         |        |            |
|---------------------------------------------------------------------------------------------------------|--------|------------|
| Grand Rapids Building Authority Michigan, RB, Series A<br>(AMBAC) (a):                                  |        |            |
| 5.50%, 10/01/19                                                                                         | \$ 435 | \$ 450,351 |
| 5.50%, 10/01/20                                                                                         | 600    | 621,174    |
| Gull Lake Community School District, GO (AGM):                                                          |        |            |
| Refunding, 4.00%, 5/01/26                                                                               | 995    | 1,038,710  |
| School Building & Site, 5.00%, 5/01/30 (a)                                                              | 3,625  | 3,998,701  |
| Harper Creek Community School District Michigan, GO,<br>Refunding (AGM), 5.00%, 5/01/22                 |        |            |
|                                                                                                         | 1,125  | 1,265,220  |
| Harper Woods School District Michigan, GO, Refunding,<br>School Building & Site (NPFGC), 5.00%, 5/01/34 |        |            |
|                                                                                                         | 430    | 442,500    |
| Hudsonville Public Schools, GO, School Building & Site<br>(Q-SBLF), 5.25%, 5/01/41                      |        |            |
|                                                                                                         | 1,000  | 1,112,960  |
| Jenison Public Schools Michigan, GO, Building & Site<br>(NPFGC), 5.50%, 5/01/19 (a)                     |        |            |
|                                                                                                         | 1,575  | 1,595,979  |
| L Anse Creuse Public Schools Michigan, GO, School<br>Building & Site (AGM):                             |        |            |
| 5.00%, 5/01/24                                                                                          | 1,000  | 1,105,790  |
| 5.00%, 5/01/25                                                                                          | 1,525  | 1,686,330  |
| 5.00%, 5/01/26                                                                                          | 1,600  | 1,769,264  |
| 5.00%, 5/01/35                                                                                          | 3,000  | 3,116,370  |

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|                                                                                                                 |       |             |
|-----------------------------------------------------------------------------------------------------------------|-------|-------------|
| Lansing Building Authority Michigan, GO, Series A (NPFGC), 5.38%, 6/01/23 (a)                                   | 1,510 | 1,612,876   |
| Lincoln Consolidated School District Michigan, GO, Refunding (NPFGC), 4.63%, 5/01/28                            | 5,000 | 5,272,650   |
| Livonia Public Schools School District Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/24                | 1,000 | 1,071,830   |
| Montrose Community Schools, GO (NPFGC), 6.20%, 5/01/17                                                          | 1,000 | 1,233,670   |
| Orchard View Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/29 (a)                           | 5,320 | 5,754,431   |
| Parchment School District, County of Kalamazoo, State of Michigan, GO, School Building and Site, 5.00%, 5/01/25 | 1,000 | 1,146,490   |
| Pennfield School District Michigan, GO, School Building & Site (a):                                             |       |             |
| (FGIC), 5.00%, 5/01/29                                                                                          | 765   | 842,051     |
| (NPFGC), 5.00%, 5/01/29                                                                                         | 605   | 665,936     |
| Reed City Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/26 (a)                         | 1,425 | 1,571,903   |
| Rochester Community School District, GO (NPFGC), 5.00%, 5/01/19                                                 | 435   | 503,491     |
| Romulus Community Schools, GO, Refunding, (AGM)(AGM):                                                           |       |             |
| 4.00%, 5/01/24                                                                                                  | 1,100 | 1,170,565   |
| 4.13%, 5/01/25                                                                                                  | 1,150 | 1,229,500   |
| 4.25%, 5/01/26                                                                                                  | 1,200 | 1,279,044   |
| 4.25%, 5/01/27                                                                                                  | 1,200 | 1,265,976   |
| 4.50%, 5/01/29                                                                                                  | 1,025 | 1,091,164   |
| Southfield Public Schools Michigan, GO, School Building & Site, Series B (AGM), 5.00%, 5/01/29 (a)              | 2,000 | 2,206,180   |
| Thornapple Kellogg School District Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/32                 | 2,500 | 2,669,625   |
| Van Dyke Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/28                              | 1,250 | 1,380,212   |
| Zeeland Public Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/29                             | 1,600 | 1,661,616   |
|                                                                                                                 |       | 101,390,411 |

**Education 8.6%**

|                                                                             |       |           |
|-----------------------------------------------------------------------------|-------|-----------|
| Eastern Michigan University, Refunding RB, General (AMBAC), 6.00%, 6/01/20  | 435   | 436,662   |
| Grand Valley State University Michigan, RB, General (NPFGC), 5.50%, 2/01/18 | 2,070 | 2,304,903 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 23



## Schedule of Investments (continued)

**BlackRock MuniYield Michigan Quality Fund, Inc.**  
**(MIY)**  
**(Percentages shown are based on Net Assets)**

| <b>Municipal Bonds</b>                                                                                            | <b>Par</b>   | <b>Value</b> |
|-------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Michigan (continued)</b>                                                                                       | <b>(000)</b> |              |
| <b>Education (concluded)</b>                                                                                      |              |              |
| Michigan Higher Education Facilities Authority, RB, Limited Obligation, Hillsdale College Project, 5.00%, 3/01/35 | \$1,720      | \$ 1,745,060 |
| Michigan Higher Education Facilities Authority, Refunding RB, Limited Obligation, Creative Studies (a):           |              |              |
| 5.85%, 12/01/22                                                                                                   | 1,235        | 1,258,033    |
| 5.90%, 12/01/27                                                                                                   | 1,145        | 1,166,549    |
| Michigan Higher Education Student Loan Authority, RB, Student Loan:                                               |              |              |
| Series XVII-I, 5.20%, 3/01/24                                                                                     | 2,900        | 2,979,721    |
| Series XVII-P (AMBAC), 4.88%, 3/01/30                                                                             | 2,300        | 2,326,657    |
| Series XVII-Q AMT (AMBAC), 5.00%, 3/01/31                                                                         | 3,000        | 3,067,620    |
| Michigan State University, Refunding RB, General, Series C, 5.00%, 2/15/40                                        | 4,700        | 5,169,483    |
| Saginaw Valley State University Michigan, Refunding RB, General (NPFGC), 5.00%, 7/01/24                           | 2,100        | 2,183,706    |
| Western Michigan University, Refunding RB, General, 5.25%, 11/15/40                                               | 2,100        | 2,326,926    |
|                                                                                                                   |              | 24,965,320   |
| <b>Health 22.4%</b>                                                                                               |              |              |
| Dickinson County Healthcare System, Refunding RB, Series A (ACA), 5.80%, 11/01/24                                 | 3,100        | 3,100,062    |
| Flint Hospital Building Authority Michigan, Refunding RB, Hurley Medical Center (ACA):                            |              |              |
| 6.00%, 7/01/20                                                                                                    | 1,125        | 1,131,131    |
| Series A, 5.38%, 7/01/20                                                                                          | 615          | 606,956      |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36                        | 4,750        | 5,151,137    |
| Kent Hospital Finance Authority Michigan, RB, Spectrum Health, Series A, 5.00%, 11/15/29                          | 4,500        | 4,976,505    |
| Kent Hospital Finance Authority Michigan, Refunding RB, Butterworth, Series A (NPFGC), 7.25%, 1/15/13 (b)         | 330          | 342,464      |
| Michigan State Finance Authority, RB, Trinity Health Credit:                                                      |              |              |
| 5.00%, 12/01/31                                                                                                   | 3,100        | 3,389,385    |
| 5.00%, 12/01/35                                                                                                   | 3,100        | 3,305,654    |
| Michigan State Hospital Finance Authority, RB: Ascension Health Senior Credit Group,                              |              |              |
| 5.00%, 11/15/25                                                                                                   | 3,700        | 4,218,703    |
| Hospital, MidMichigan Obligation Group, Series A (AMBAC), 5.50%, 4/15/18                                          | 2,530        | 2,546,192    |
| Hospital, Oakwood Obligation Group, Series A,                                                                     |              |              |

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|                                                                                                                    |       |           |
|--------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 5.75%, 4/01/32                                                                                                     | 5,000 | 5,105,900 |
| McLaren Health Care, Series C, 5.00%, 8/01/35                                                                      | 1,000 | 1,021,540 |
| MidMichigan Obligation Group, Series A,<br>5.00%, 4/15/26                                                          | 620   | 647,013   |
| MidMichigan Obligation Group, Series A,<br>5.00%, 4/15/36                                                          | 3,550 | 3,614,362 |
| Trinity Health Credit, Series C, 5.38%, 12/01/30                                                                   | 3,410 | 3,457,945 |
| Michigan State Hospital Finance Authority, Refunding RB:<br>Henry Ford Health System, Series A,<br>5.25%, 11/15/46 | 2,500 | 2,566,350 |
| Hospital, Crittenton, Series A, 5.63%, 3/01/27                                                                     | 2,050 | 2,072,571 |
| Hospital, Oakwood Obligation Group, Series A,<br>5.00%, 7/15/21                                                    | 600   | 642,582   |
| Hospital, Oakwood Obligation Group, Series A,<br>5.00%, 7/15/25                                                    | 3,260 | 3,407,417 |
| Hospital, Oakwood Obligation Group, Series A,<br>5.00%, 7/15/37                                                    | 630   | 632,671   |
| Hospital, Sparrow Obligated, 5.00%, 11/15/31                                                                       | 3,100 | 3,208,345 |
| McLaren Health Care, 5.75%, 5/15/38                                                                                | 4,500 | 4,873,905 |
| Trinity Health Credit, Series A, 6.25%, 12/01/28                                                                   | 930   | 1,090,974 |
| Trinity Health Credit, Series A, 6.50%, 12/01/33                                                                   | 1,000 | 1,174,230 |
| Trinity Health Credit, Series C, 5.38%, 12/01/23 (a)                                                               | 1,000 | 1,042,870 |
| Trinity Health Credit, Series C, 5.38%, 12/01/30 (a)                                                               | 345   | 359,790   |

|                             |              |              |
|-----------------------------|--------------|--------------|
|                             | <b>Par</b>   |              |
|                             | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>      |              |              |
| <b>Michigan (continued)</b> |              |              |

**Health (concluded)**

|                                                                                                              |          |              |
|--------------------------------------------------------------------------------------------------------------|----------|--------------|
| Royal Oak Hospital Finance Authority Michigan,<br>Refunding<br>RB, William Beaumont Hospital, 8.25%, 9/01/39 | \$ 1,000 | \$ 1,236,620 |
|                                                                                                              |          | 64,923,274   |

**Housing 7.0%**

|                                                                                |       |            |
|--------------------------------------------------------------------------------|-------|------------|
| Michigan State HDA, RB:<br>Deaconess Tower AMT (Ginnie Mae),<br>5.25%, 2/20/48 | 1,000 | 1,022,120  |
| Series A, 4.75%, 12/01/25                                                      | 4,400 | 4,631,704  |
| Series A, 6.00%, 10/01/45                                                      | 6,990 | 7,152,867  |
| Series A, AMT (NPFGC), 5.30%, 10/01/37                                         | 130   | 130,060    |
| Williams Pavilion, AMT (Ginnie Mae),<br>4.75%, 4/20/37                         | 3,815 | 3,856,927  |
| Michigan State HDA, Refunding RB, Series A,<br>6.05%, 10/01/41                 | 3,260 | 3,488,623  |
|                                                                                |       | 20,282,301 |

**State 18.4%**

|                                                                                         |       |           |
|-----------------------------------------------------------------------------------------|-------|-----------|
| Michigan Municipal Bond Authority, RB:<br>Clean Water Revolving-Pooled, 5.00%, 10/01/27 | 1,240 | 1,476,232 |
| Local Government Loan Program, Group A (AMBAC),<br>5.50%, 11/01/20                      | 1,065 | 1,065,969 |
| State Clean Water, 5.00%, 10/01/27                                                      | 1,250 | 1,453,813 |

|                                                                                                                |       |            |
|----------------------------------------------------------------------------------------------------------------|-------|------------|
| Michigan Municipal Bond Authority, Refunding RB,<br>Local<br>Government, Charter County Wayne, Series B (AGC): |       |            |
| 5.00%, 11/01/15                                                                                                | 1,500 | 1,679,055  |
| 5.00%, 11/01/16                                                                                                | 500   | 576,530    |
| 5.38%, 11/01/24                                                                                                | 125   | 146,775    |
| Michigan State Building Authority, RB, Facilities<br>Program,                                                  |       |            |
| Series H (AGM), 5.00%, 10/15/26                                                                                | 4,500 | 5,115,555  |
| Michigan State Building Authority, Refunding RB,<br>Facilities Program:                                        |       |            |
| Series I, 6.25%, 10/15/38                                                                                      | 3,900 | 4,520,685  |
| Series I, 5.50%, 10/15/45                                                                                      | 1,250 | 1,411,313  |
| Series I (AGC), 5.25%, 10/15/24                                                                                | 4,000 | 4,651,040  |
| Series I (AGC), 5.25%, 10/15/25                                                                                | 2,000 | 2,315,040  |
| Series I (AGC), 5.25%, 10/15/26                                                                                | 600   | 690,096    |
| Series II (NPFGC), 5.00%, 10/15/29                                                                             | 3,500 | 3,604,195  |
| Michigan State Finance Authority, RB, Series F:                                                                |       |            |
| 5.00%, 4/01/31                                                                                                 | 1,000 | 1,062,150  |
| 5.25%, 10/01/41                                                                                                | 6,085 | 6,414,746  |
| Michigan Strategic Fund, RB, Cadillac Place Office<br>Building Project, 5.25%, 10/15/31                        | 1,500 | 1,664,790  |
| State of Michigan, RB, GAB (AGM), 5.25%, 9/15/27                                                               | 5,250 | 5,855,640  |
| State of Michigan Trunk Line Revenue, RB:                                                                      |       |            |
| 5.00%, 11/15/29                                                                                                | 1,000 | 1,174,080  |
| 5.00%, 11/15/33                                                                                                | 1,850 | 2,116,159  |
| 5.00%, 11/15/36                                                                                                | 3,500 | 3,959,690  |
| State of Michigan, COP (AMBAC), 5.55%, 6/01/22<br>(b)(c)                                                       | 3,000 | 2,359,680  |
|                                                                                                                |       | 53,313,233 |
| <b>Transportation 11.8%</b>                                                                                    |       |            |
| Sturgis Building Authority, RB, Sturgis Hospital<br>Project<br>(NPFGC), 4.75%, 10/01/34                        | 475   | 482,819    |
| Wayne County Airport Authority, RB, Detroit<br>Metropolitan<br>Wayne County Airport, AMT (NPFGC):              |       |            |
| 5.25%, 12/01/25                                                                                                | 7,525 | 7,864,227  |
| 5.25%, 12/01/26                                                                                                | 6,300 | 6,541,542  |
| 5.00%, 12/01/34                                                                                                | 4,435 | 4,491,768  |
| Wayne County Airport Authority, Refunding RB, AMT<br>(AGC):                                                    |       |            |
| 5.75%, 12/01/25                                                                                                | 4,000 | 4,422,480  |
| 5.75%, 12/01/26                                                                                                | 1,000 | 1,093,920  |
| 5.38%, 12/01/32                                                                                                | 8,700 | 9,205,905  |
|                                                                                                                |       | 34,102,661 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock MuniYield Michigan Quality Fund, Inc.**  
**(MIY)**  
**(Percentages shown are based on Net Assets)**

| <b>Municipal Bonds</b>                                       | <b>Par</b>   | <b>Value</b>       |
|--------------------------------------------------------------|--------------|--------------------|
| <b>Michigan (concluded)</b>                                  | <b>(000)</b> |                    |
| <b>Utilities 21.1%</b>                                       |              |                    |
| City of Detroit Michigan, RB:                                |              |                    |
| Second Lien, Series B (AGM), 7.00%, 7/01/36                  | \$ 3,000     | \$ 3,630,390       |
| Second Lien, Series B (NPFGC), 5.00%, 7/01/34 (a)            | 1,550        | 1,653,369          |
| Senior Lien, Series A (NPFGC), 5.00%, 7/01/34                | 6,000        | 6,038,880          |
| Series B (NPFGC), 5.25%, 7/01/32                             | 11,790       | 12,617,894         |
| City of Detroit Michigan, Refunding RB:                      |              |                    |
| (FGIC), 6.25%, 7/01/12 (b)                                   | 280          | 286,236            |
| Second Lien, Series C (AGM), 5.00%, 7/01/29                  | 10,570       | 10,877,270         |
| City of Grand Rapids Michigan, RB (NPFGC),<br>5.00%, 1/01/34 | 11,385       | 11,771,748         |
| City of Port Huron Michigan, RB, Water Supply:               |              |                    |
| 5.25%, 10/01/31                                              | 310          | 337,423            |
| 5.63%, 10/01/40                                              | 1,000        | 1,084,070          |
| Lansing Board of Water & Light Utilities, RB, Series<br>A:   |              |                    |
| 5.00%, 7/01/27                                               | 1,970        | 2,275,350          |
| 5.00%, 7/01/31                                               | 4,230        | 4,764,080          |
| 5.00%, 7/01/37                                               | 2,065        | 2,294,091          |
| 5.50%, 7/01/41                                               | 3,000        | 3,482,940          |
|                                                              |              | 61,113,741         |
| <b>Total Municipal Bonds in Michigan</b>                     |              | <b>379,965,817</b> |

**Guam 1.7%****State 1.4%**

Government of Guam Business Privilege, RB, Series

A,

5.13%, 1/01/42 2,300 2,502,170

Territory of Guam, RB, Section 30, Series A,

5.63%, 12/01/29 1,400 1,506,736  
4,008,906**Utilities 0.3%**Guam Power Authority, Refunding RB, Series A  
(AGM),

5.00%, 10/01/37 765 828,678

**Total Municipal Bonds in Guam** 4,837,584**Puerto Rico 6.7%****State 5.1%**

Puerto Rico Public Buildings Authority, Refunding  
RB,

Government Facilities, Series M-3 (NPFGC),

6.00%, 7/01/27 2,000 2,245,980

Puerto Rico Sales Tax Financing Corp., RB:

First Sub-Series A, 5.50%, 8/01/42 500 548,405

First Sub-Series C (AGM), 5.13%, 8/01/42 5,100 5,517,639

Series A-1, 5.25%, 8/01/43 1,070 1,168,665

Puerto Rico Sales Tax Financing Corp., Refunding  
RB,

CAB, Series A (NPFGC) (c):

5.18%, 8/01/43 12,500 2,223,000

5.00%, 8/01/46 20,000 2,947,400

14,651,089

### **Transportation 1.1%**

Puerto Rico Highway & Transportation Authority,  
Refunding RB, Series CC (AGC), 5.50%, 7/01/31

2,750 3,282,455

### **Utilities 0.5%**

Puerto Rico Electric Power Authority, RB, 5.50%,  
7/01/38

1,400 1,490,048

**Total Municipal Bonds in Puerto Rico**

19,423,592

**Total Municipal Bonds 139.5%**

404,226,993

### **Municipal Bonds Transferred to**

**Tender Option Bond Trusts (d)**

**Par  
(000)**

**Value**

**Michigan 12.8%**

### **County/City/Special District/School District 4.2%**

Lakewood Public Schools Michigan, GO, School Building  
& Site (AGM), 5.00%, 5/01/37

\$ 6,470 \$7,173,418

Portage Public Schools Michigan, GO, School Building  
& Site (AGM), 5.00%, 5/01/31

4,650 5,046,413  
12,219,831

### **Education 7.4%**

Saginaw Valley State University, Refunding RB, General  
(AGM), 5.00%, 7/01/31

7,500 8,172,825

Wayne State University, Refunding RB, General (AGM),  
5.00%, 11/15/35

12,210 13,162,136  
21,334,961

### **Health 1.2%**

Michigan Finance Authority, Refunding RB, Refunding  
Trinity Health, 5.00%, 12/01/39

3,350 3,552,809

**Total Municipal Bonds in Michigan**

37,107,601

### **Puerto Rico 0.4%**

### **State 0.4%**

Puerto Rico Sales Tax Financing Corp., RB, Series C,  
5.25%, 8/01/40

1,060 1,177,140

**Total Municipal Bonds in Puerto Rico**

1,177,140

**Total Municipal Bonds Transferred to**

|                                    |               |             |
|------------------------------------|---------------|-------------|
| <b>Tender Option Bond Trusts</b>   | <b>13.2%</b>  | 38,284,741  |
| <b>Total Long-Term Investments</b> |               |             |
| (Cost \$411,802,071)               | <b>152.7%</b> | 442,511,734 |

| <b>Short-Term Securities</b>                                    | <b>Shares</b>                |
|-----------------------------------------------------------------|------------------------------|
| BIF Michigan Municipal Money Fund,<br>0.00% (e)(f)              | 6,603,939 6,603,939          |
| <b>Total Short-Term Securities</b>                              |                              |
| (Cost \$6,603,939)                                              | 2.3% 6,603,939               |
| <b>Total Investments (Cost \$418,406,010)</b>                   | <b>155.0%</b> 449,115,673    |
| <b>Other Assets Less Liabilities</b>                            | <b>1.3%</b> 3,708,867        |
| <b>Liability for TOB Trust Certificates, Including Interest</b> |                              |
| Expense and Fees Payable                                        | (6.4)% (18,401,014 )         |
| <b>VRDP Shares, at Liquidation Value</b>                        | <b>(49.9)%</b> (144,600,000) |
| <b>Net Assets Applicable to Common Shares</b>                   | <b>100.0%</b> \$289,823,526  |

- (a) US 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) Security is collateralized by Municipal or US Treasury obligations.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.  
Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest
- (d) certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 25

## Schedule of Investments (concluded)

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

- (e) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

|                                         | Shares Held<br>at July 31,<br>2011 | Net<br>Activity | Shares Held<br>at January 31,<br>2012 | Income |
|-----------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|
| BIF Michigan<br>Municipal<br>Money Fund | 6,928,754                          | (324,815)       | 6,603,939                             |        |

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

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

Financial futures contracts sold as of January 31, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 35        | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 | \$4,628,750    | \$ (61,317)             |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs 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 and liabilities

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 in or out of an assigned level within the disclosure hierarchy. 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 does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1     | Level 2       | Level 3 Total |
|------------------------------------|-------------|---------------|---------------|
| <b>Assets:</b>                     |             |               |               |
| Investments:                       |             |               |               |
| Long-Term Investments <sup>1</sup> |             | \$442,511,734 | \$442,511,734 |
| Short-Term Securities              | \$6,603,939 |               | 6,603,939     |
| <b>Total</b>                       | \$6,603,939 | \$442,511,734 | \$449,115,673 |

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

**Valuation Inputs Level 1 Level 2 Level 3 Total**

Derivate Financial

Instruments<sup>2</sup>

**Liabilities:**

Interest rate

|           |             |            |
|-----------|-------------|------------|
| contracts | \$ (61,317) | \$(61,317) |
|-----------|-------------|------------|

<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.

26SEMI-ANNUAL REPORT JANUARY 31, 2012



**BlackRock MuniYield New Jersey Quality  
Fund, Inc. (MJI)**  
(Percentages shown are based on Net Assets)

Schedule of Investments January 31, 2012 (Unaudited)

|                                                                                                            | <b>Par<br/>(000)</b> | <b>Value</b> |
|------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                     |                      |              |
| <b>New Jersey 117.5%</b>                                                                                   |                      |              |
| <b>Corporate 5.4%</b>                                                                                      |                      |              |
| New Jersey EDA, RB, New Jersey American Water Co., Inc.<br>Project, Series A, AMT (AMBAC), 5.25%, 11/01/32 | \$1,000              | \$ 1,020,510 |
| New Jersey EDA, Refunding RB, New Jersey American<br>Water Co., Inc. Project:                              |                      |              |
| Series A, AMT, 5.70%, 10/01/39                                                                             | 5,000                | 5,501,400    |
| Series B, AMT, 5.60%, 11/01/34                                                                             | 1,000                | 1,117,380    |
|                                                                                                            |                      | 7,639,290    |
| <b>County/City/Special District/School District 13.9%</b>                                                  |                      |              |
| Borough of Hopatcong New Jersey, GO, Refunding, Sewer<br>(AMBAC), 4.50%, 8/01/33                           | 750                  | 794,107      |
| City of Perth Amboy New Jersey, GO, CAB (AGM),<br>5.00%, 7/01/35 (a)                                       | 1,250                | 1,285,962    |
| County of Hudson New Jersey, COP, Refunding (NPFGC),<br>6.25%, 12/01/16                                    | 1,000                | 1,165,720    |
| County of Middlesex New Jersey, COP, Refunding<br>(NPFGC), 5.00%, 8/01/22                                  | 3,000                | 3,010,740    |
| County of Union New Jersey, GO:                                                                            |                      |              |
| 4.00%, 3/01/29                                                                                             | 1,060                | 1,159,598    |
| 4.00%, 3/01/30                                                                                             | 1,060                | 1,146,337    |
| 4.00%, 3/01/31                                                                                             | 1,200                | 1,284,900    |
| Edgewater Borough Board of Education, GO (AGM):                                                            |                      |              |
| 4.25%, 3/01/34                                                                                             | 300                  | 332,871      |
| 4.25%, 3/01/35                                                                                             | 300                  | 330,810      |
| 4.30%, 3/01/36                                                                                             | 300                  | 330,543      |
| Essex County Improvement Authority, Refunding RB, AMT<br>(NPFGC), 4.75%, 11/01/32                          | 1,000                | 1,023,670    |
| Hudson County Improvement Authority, RB:                                                                   |                      |              |
| CAB, Series A-1 (NPFGC), 4.53%, 12/15/32 (b)                                                               | 1,000                | 347,840      |
| County Secured, County Services Building Project<br>(AGM), 5.00%, 4/01/27                                  | 250                  | 273,755      |
| Harrison Parking Facility Project, Series C (AGC),<br>5.25%, 1/01/39                                       | 1,000                | 1,106,650    |
| Harrison Parking Facility Project, Series C (AGC),<br>5.38%, 1/01/44                                       | 1,400                | 1,557,248    |
| Monmouth County Improvement Authority, RB,<br>Governmental Loan (AMBAC):                                   |                      |              |
| 5.00%, 12/01/17                                                                                            | 5                    | 5,010        |
| 5.00%, 12/01/18                                                                                            | 5                    | 5,009        |
| 5.00%, 12/01/19                                                                                            | 5                    | 5,008        |
| Monmouth County Improvement Authority, Refunding RB,                                                       |                      |              |

**Governmental Loan (AMBAC):**

|                                                                                                                               |       |                         |
|-------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------|
| 5.20%, 12/01/14                                                                                                               | 5     | 5,012                   |
| 5.25%, 12/01/15                                                                                                               | 5     | 5,012                   |
| New Jersey State Transit Corp., COP, Subordinate,<br>Federal Transit Administration Grants, Series A (AGM),<br>5.00%, 9/15/21 | 1,000 | 1,067,810               |
| Newark Housing Authority, RB, South Ward Police Facility<br>(AGC), 6.75%, 12/01/38                                            | 135   | 166,177                 |
| Newark Housing Authority, Refunding RB, Newark<br>Redevelopment Project (NPFGC), 4.38%, 1/01/37                               | 3,600 | 3,290,904<br>19,700,693 |

**Education 22.7%**

|                                                                                                                        |       |           |
|------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| New Jersey Educational Facilities Authority, RB:<br>Montclair State University, Series A (AMBAC),<br>5.00%, 7/01/21    | 1,600 | 1,768,016 |
| Rowan University, Series C (NPFGC),<br>5.00%, 7/01/34 (c)                                                              | 1,185 | 1,313,833 |
| New Jersey Educational Facilities Authority, Refunding RB:<br>College of New Jersey, Series D (AGM),<br>5.00%, 7/01/35 | 3,805 | 4,114,461 |
| Montclair State University, Series J (NPFGC),<br>4.25%, 7/01/30                                                        | 2,895 | 2,969,952 |
| New Jersey Institute Of Technology, Series H,<br>5.00%, 7/01/31                                                        | 1,000 | 1,104,670 |

**Par  
(000)      Value**

**Municipal Bonds****New Jersey (continued)****Education (concluded)**

|                                                                                   |         |                       |
|-----------------------------------------------------------------------------------|---------|-----------------------|
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/31                                  | \$1,250 | \$ 1,285,287          |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/36                                  | 3,890   | 3,946,483             |
| Rowan University, Series B (AGC), 5.00%, 7/01/26                                  | 2,575   | 2,895,896             |
| Stevens Institute of Technology, Series A,<br>5.00%, 7/01/34                      | 1,500   | 1,542,180             |
| William Paterson University, Series C (AGC),<br>4.75%, 7/01/34                    | 1,115   | 1,198,435             |
| William Paterson University, Series E (Syncora),<br>5.00%, 7/01/21                | 1,725   | 1,750,944             |
| Rutgers-State University of New Jersey, Refunding RB,<br>Series F, 5.00%, 5/01/39 | 4,000   | 4,410,680             |
| University of Medicine & Dentistry of New Jersey, RB,<br>Series A (AMBAC):        |         |                       |
| 5.50%, 12/01/18                                                                   | 570     | 586,211               |
| 5.50%, 12/01/19                                                                   | 1,145   | 1,177,564             |
| 5.50%, 12/01/20                                                                   | 1,130   | 1,160,239             |
| 5.50%, 12/01/21                                                                   | 865     | 886,694<br>32,111,545 |

**Health 14.0%**

|                                                                                                  |       |           |
|--------------------------------------------------------------------------------------------------|-------|-----------|
| New Jersey Health Care Facilities Financing Authority, RB:<br>AHS Hospital Corp., 6.00%, 7/01/41 | 1,100 | 1,291,928 |
|--------------------------------------------------------------------------------------------------|-------|-----------|

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|                                                                         |       |            |
|-------------------------------------------------------------------------|-------|------------|
| Meridian Health, Series I (AGC), 5.00%, 7/01/38                         | 740   | 780,204    |
| Meridian Health, Series II (AGC), 5.00%, 7/01/38                        | 995   | 1,049,058  |
| Meridian Health, Series V (AGC), 5.00%, 7/01/38                         | 965   | 1,017,429  |
| South Jersey Hospital, 6.00%, 7/01/12 (c)                               | 4,000 | 4,096,920  |
| Virtua Health (AGC), 5.50%, 7/01/38                                     | 1,000 | 1,094,740  |
| New Jersey Health Care Facilities Financing Authority,<br>Refunding RB: |       |            |
| Atlantic City Medical Center, 5.75%, 7/01/25 (c)                        | 525   | 537,175    |
| Atlantic City Medical System, 6.25%, 7/01/17 (c)                        | 325   | 341,133    |
| Atlantic City Medical System, 5.75%, 7/01/25                            | 790   | 799,535    |
| Barnabas Health Issue, Series A, 5.00%, 7/01/24                         | 1,820 | 1,935,861  |
| Barnabas Health Issue, Series A, 5.63%, 7/01/37                         | 1,200 | 1,260,324  |
| Barnabas Health, Series A, 5.63%, 7/01/32 (c)                           | 440   | 471,011    |
| Hackensack University Medical (AGM),<br>4.63%, 1/01/30                  | 2,315 | 2,450,937  |
| Meridian Health Sys Obligation, 5.00%, 7/01/25                          | 300   | 343,644    |
| Meridian Health Sys Obligation, 5.00%, 7/01/26                          | 2,130 | 2,408,817  |
|                                                                         |       | 19,878,716 |

**Housing 7.2%**

|                                                                                                                     |       |            |
|---------------------------------------------------------------------------------------------------------------------|-------|------------|
| New Jersey State Housing & Mortgage Finance Agency, RB:<br>Capital Fund Program, Series A (AGM),<br>4.70%, 11/01/25 | 3,350 | 3,480,683  |
| S/F Housing, Series T, AMT, 4.70%, 10/01/37                                                                         | 490   | 495,346    |
| Series A AMT (FGIC), 4.90%, 11/01/35                                                                                | 820   | 819,943    |
| Series A AMT (NPFGC), 4.85%, 11/01/39                                                                               | 400   | 393,972    |
| Series AA, 6.50%, 10/01/38                                                                                          | 810   | 876,064    |
| Series B, 4.50%, 10/01/30                                                                                           | 2,850 | 2,946,985  |
| Series B (AGM), 1.10%, 5/01/12                                                                                      | 1,150 | 1,151,587  |
|                                                                                                                     |       | 10,164,580 |

**State 35.2%**

|                                                                       |       |           |
|-----------------------------------------------------------------------|-------|-----------|
| Garden State Preservation Trust, RB (AGM):                            |       |           |
| CAB, Series B, 5.12%, 11/01/23 (b)                                    | 6,725 | 4,697,009 |
| Election of 2005, Series A, 5.80%, 11/01/22                           | 2,605 | 3,041,285 |
| New Jersey EDA, RB:                                                   |       |           |
| CAB, Motor Vehicle Surcharge, Series R (NPFGC),<br>4.95%, 7/01/21 (b) | 2,325 | 1,604,180 |
| Cigarette Tax, 5.63%, 6/15/19                                         | 430   | 430,834   |
| Cigarette Tax (Radian), 5.75%, 6/15/29                                | 785   | 820,278   |
| Cigarette Tax (Radian), 5.50%, 6/15/31                                | 225   | 233,226   |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.25%, 7/01/25          | 1,000 | 1,221,550 |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.00%, 7/01/29          | 3,500 | 3,651,095 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 27

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| <b>Municipal Bonds</b>                                                                             | <b>Par</b> | <b>(000) Value</b> |
|----------------------------------------------------------------------------------------------------|------------|--------------------|
| <b>New Jersey (concluded)</b>                                                                      |            |                    |
| <b>State (concluded)</b>                                                                           |            |                    |
| Motor Vehicle Surcharge, Series A (NPFGC),<br>5.25%, 7/01/33                                       | \$ 8,500   | \$ 9,119,225       |
| School Facilities Construction, Series Z (AGC),<br>6.00%, 12/15/34                                 | 1,200      | 1,384,164          |
| School Facilities, Series U, 5.00%, 9/01/37                                                        | 3,000      | 3,196,560          |
| School Facilities, Series U (AMBAC),<br>5.00%, 9/01/37                                             | 1,000      | 1,065,520          |
| New Jersey EDA, Refunding RB, School Facilities<br>Construction, Series K (NPFGC), 5.25%, 12/15/17 | 750        | 857,078            |
| New Jersey Sports & Exposition Authority, Refunding<br>RB (NPFGC):                                 |            |                    |
| 5.50%, 3/01/21                                                                                     | 1,540      | 1,837,189          |
| 5.50%, 3/01/22                                                                                     | 1,050      | 1,257,606          |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System:                      |            |                    |
| 5.25%, 6/15/36                                                                                     | 760        | 855,114            |
| 5.50%, 6/15/31                                                                                     | 730        | 863,700            |
| CAB, Series C (AGM), 4.85%, 12/15/32 (b)                                                           | 4,750      | 1,756,313          |
| CAB, Series C (AMBAC), 5.05%, 12/15/35 (b)                                                         | 2,760      | 819,472            |
| Series A, 6.00%, 6/15/35                                                                           | 2,000      | 2,423,200          |
| Series A (AGC), 5.63%, 12/15/28                                                                    | 780        | 900,510            |
| Series A (AGM), 5.25%, 12/15/20                                                                    | 4,250      | 5,260,522          |
| Series A (AGM), 5.50%, 12/15/22                                                                    | 150        | 190,685            |
| State of New Jersey, COP, Equipment Lease Purchase,<br>Series A, 5.25%, 6/15/27                    | 500        | 563,530            |
| State of New Jersey, GO, Refunding, Series D (FGIC),<br>6.00%, 2/15/13                             | 1,725      | 1,827,085          |
|                                                                                                    |            | 49,876,930         |
| <b>Tobacco 1.3%</b>                                                                                |            |                    |
| Tobacco Settlement Financing Corp. New Jersey, RB,<br>7.00%, 6/01/41 (c)                           | 1,715      | 1,869,161          |
| <b>Transportation 9.6%</b>                                                                         |            |                    |
| Delaware River Port Authority, RB, Series D (AGM):                                                 |            |                    |
| 5.05%, 1/01/35                                                                                     | 1,430      | 1,545,086          |
| 5.00%, 1/01/40                                                                                     | 1,500      | 1,620,960          |
| New Jersey State Turnpike Authority, RB, Growth &<br>Income                                        |            |                    |
| Securities, Series B (AMBAC), 5.15%, 1/01/15 (a)                                                   | 3,005      | 2,706,093          |
| New Jersey State Turnpike Authority, Refunding RB,<br>Series A (AGM), 5.25%, 1/01/29               | 2,000      | 2,550,500          |

|                                                        |                 |
|--------------------------------------------------------|-----------------|
| Port Authority of New York & New Jersey, RB:           |                 |
| Consolidated, 93rd Series, 6.13%, 6/01/94              | 1,000 1,249,630 |
| JFK International Air Terminal, 6.00%, 12/01/42        | 1,500 1,618,155 |
| Port Authority of New York & New Jersey, Refunding RB, |                 |
| Consolidated 152nd Series, AMT, 5.75%, 11/01/30        | 2,000 2,359,120 |
|                                                        | 13,649,544      |

#### Utilities 8.2%

|                                                         |                    |
|---------------------------------------------------------|--------------------|
| Essex County Utilities Authority, Refunding RB (AGC),   |                    |
| 4.13%, 4/01/22                                          | 1,000 1,073,900    |
| Jersey City Municipal Utilities Authority, Refunding RB |                    |
| (AMBAC), 6.25%, 1/01/14                                 | 1,935 2,038,445    |
| New Jersey EDA, Refunding RB, United Water of           |                    |
| New Jersey Inc., Series B (AMBAC), 4.50%, 11/01/25      | 1,000 1,089,950    |
| North Hudson Sewerage Authority, Refunding RB,          |                    |
| Series A (NPFGC), 5.13%, 8/01/20                        | 1,710 1,983,087    |
| Rahway Valley Sewerage Authority, RB, CAB, Series A     |                    |
| (NPFGC) (b):                                            |                    |
| 4.74%, 9/01/26                                          | 4,100 2,166,563    |
| 4.42%, 9/01/33                                          | 2,350 809,552      |
| Union County Utilities Authority, Refunding RB,         |                    |
| Deficiency Agreement, 5.00%, 6/15/41                    | 2,155 2,420,453    |
|                                                         | 11,581,950         |
| <b>Total Municipal Bonds in New Jersey</b>              | <b>166,472,409</b> |

|                  | Par   |       |
|------------------|-------|-------|
| Municipal Bonds  | (000) | Value |
| <b>Guam 1.8%</b> |       |       |

#### State 1.2%

|                                                      |                       |
|------------------------------------------------------|-----------------------|
| Government of Guam Business Privilege, RB, Series A, |                       |
| 5.13%, 1/01/42                                       | \$ 1,600 \$ 1,740,640 |

#### Utilities 0.6%

|                                              |                  |
|----------------------------------------------|------------------|
| Guam Power Authority, Refunding RB, Series A |                  |
| (AGM),                                       |                  |
| 5.00%, 10/01/37                              | 735 796,181      |
| <b>Total Municipal Bonds in Guam</b>         | <b>2,536,821</b> |

#### Puerto Rico 13.4%

#### Health 3.0%

|                                                         |                 |
|---------------------------------------------------------|-----------------|
| 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 4,229,537 |

#### State 6.6%

|                                                    |                 |
|----------------------------------------------------|-----------------|
| Commonwealth of Puerto Rico, GO, Refunding, Public |                 |
| Improvement, Series C, 6.00%, 7/01/39              | 1,500 1,650,405 |
| Puerto Rico Commonwealth Infrastructure Financing  |                 |
| Authority, RB, CAB, Series A (b):                  |                 |
| (AMBAC), 4.38%, 7/01/37                            | 2,250 460,260   |
| (FGIC), 4.49%, 7/01/30                             | 2,750 971,932   |

|                                                                                                                       |       |             |
|-----------------------------------------------------------------------------------------------------------------------|-------|-------------|
| Puerto Rico Public Buildings Authority, Refunding RB,<br>Government Facilities, Series M-3 (NPFGC),<br>6.00%, 7/01/27 | 850   | 954,542     |
| Puerto Rico Sales Tax Financing Corp., RB:<br>First Sub-Series A, 5.50%, 8/01/42                                      | 700   | 767,767     |
| First Sub-Series A, 6.00%, 8/01/42                                                                                    | 1,000 | 1,131,260   |
| First Sub-Series C (AGM), 5.13%, 8/01/42                                                                              | 2,380 | 2,574,898   |
| Series A-1, 5.25%, 8/01/43                                                                                            | 800   | 873,768     |
|                                                                                                                       |       | 9,384,832   |
| <b>Transportation 1.0%</b>                                                                                            |       |             |
| Puerto Rico Highway & Transportation Authority,<br>Refunding RB, Series CC (AGC), 5.50%, 7/01/31                      | 1,185 | 1,414,440   |
| <b>Utilities 2.8%</b>                                                                                                 |       |             |
| Puerto Rico Aqueduct & Sewer Authority, RB, Senior<br>Lien,<br>Series A (AGC), 5.13%, 7/01/47                         | 1,750 | 1,841,175   |
| Puerto Rico Electric Power Authority, RB:<br>Series RR (CIFG), 5.00%, 7/01/28                                         | 1,000 | 1,035,160   |
| Series XX, 5.75%, 7/01/36                                                                                             | 1,000 | 1,102,190   |
|                                                                                                                       |       | 3,978,525   |
| <b>Total Municipal Bonds in Puerto Rico</b>                                                                           |       | 19,007,334  |
| <b>Total Municipal Bonds 132.7%</b>                                                                                   |       | 188,016,564 |

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (d)**

**New Jersey 16.5%**

|                                                                                                                    |       |           |
|--------------------------------------------------------------------------------------------------------------------|-------|-----------|
| <b>Housing 1.6%</b>                                                                                                |       |           |
| New Jersey State Housing & Mortgage Finance<br>Agency, RB, Capital Fund Program, Series A (AGM),<br>5.00%, 5/01/27 | 1,980 | 2,228,827 |
| <b>State 3.1%</b>                                                                                                  |       |           |
| Garden State Preservation Trust, RB, Election of 2005,<br>Series A (AGM), 5.75%, 11/01/28                          | 3,300 | 4,405,269 |

See Notes to Financial Statements.

28 SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments (concluded)

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

(Percentages shown are based on Net Assets)

|                                                                                                           | <b>Par<br/>(000)</b> | <b>Value</b> |
|-----------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                    |                      |              |
| <b>New Jersey (concluded)</b>                                                                             |                      |              |
| <b>Transportation 8.0%</b>                                                                                |                      |              |
| Port Authority of New York & New Jersey, RB,<br>Consolidated, 163rd Series, 5.00%, 7/15/39                | \$ 4,089             | \$4,588,198  |
| Port Authority of New York & New Jersey, Refunding RB,<br>Consolidated, AMT:                              |                      |              |
| Consolidated, 152nd Series, 5.25%, 11/01/35                                                               | 1,829                | 1,988,377    |
| Consolidated, 160th Series, 5.00%, 10/15/41                                                               | 4,500                | 4,810,905    |
|                                                                                                           |                      | 11,387,480   |
| <b>Utilities 3.8%</b>                                                                                     |                      |              |
| Union County Utilities Authority, Refunding RB, Refunding<br>Covanta Union Series A, AMT, 5.25%, 12/01/31 | 4,930                | 5,388,934    |
| <b>Total Municipal Bonds in New Jersey</b>                                                                |                      | 23,410,510   |
| <b>Puerto Rico 0.4%</b>                                                                                   |                      |              |
| <b>State 0.4%</b>                                                                                         |                      |              |
| Puerto Rico Sales Tax Financing Corp., RB, Series C,<br>5.25%, 8/01/40                                    | 520                  | 577,465      |
| <b>Total Municipal Bonds in Puerto Rico</b>                                                               |                      | 577,465      |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 16.9%</b>                           |                      | 23,987,975   |
| <b>Total Long-Term Investments<br/>(Cost \$197,156,127) 149.6%</b>                                        |                      | 212,004,539  |

|                                                                                                     |               |
|-----------------------------------------------------------------------------------------------------|---------------|
| <b>Short-Term Securities</b>                                                                        | <b>Shares</b> |
| BIF New Jersey Municipal Money Fund,<br>0.00% (e)(f)                                                | 4,514,258     |
| <b>Total Short-Term Securities<br/>(Cost \$4,514,258) 3.2%</b>                                      | 4,514,258     |
| <b>Total Investments (Cost \$201,670,385) 152.8%</b>                                                | 216,518,797   |
| <b>Other Assets Less Liabilities 0.9%</b>                                                           | 1,256,727     |
| <b>Liability for TOB Trust Certificates, Including Interest<br/>Expense and Fees Payable (8.2)%</b> | (11,705,871 ) |
| <b>VRDP Shares, at Liquidation Value (45.5)%</b>                                                    | (64,400,000 ) |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                                | \$141,669,653 |

- (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) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) US 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) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                                 | Shares Held<br>at July 31,<br>2011 | Net<br>Activity | Shares Held<br>at January 31,<br>2012 | Income |
|-------------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|
| BIF New Jersey<br>Municipal<br>Money Fund | 6,306,835                          | (1,792,577)     | 4,514,258                             | \$16   |

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

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

Financial futures contracts sold as of January 31, 2012 were as follows:

| Contracts Issue |                          |                        | Exchange   | Expiration | Notional Value | Unrealized Depreciation |
|-----------------|--------------------------|------------------------|------------|------------|----------------|-------------------------|
| 15              | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 |            | \$1,983,750    | \$(26,279)              |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs 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 and liabilities
- 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 in or out of an assigned level within the disclosure hierarchy. 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 does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1 | Level 2       | Level 3 Total |
|------------------------------------|---------|---------------|---------------|
| <b>Assets:</b>                     |         |               |               |
| <b>Investments:</b>                |         |               |               |
| Long-Term Investments <sup>1</sup> |         | \$212,004,539 | \$212,004,539 |



Short-Term

|              |             |               |               |
|--------------|-------------|---------------|---------------|
| Securities   | \$4,514,258 |               | 4,514,258     |
| <b>Total</b> | \$4,514,258 | \$212,004,539 | \$216,518,797 |

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

**Valuation Inputs Level 1 Level 2 Level 3 Total**

Derivate Financial

Instruments<sup>2</sup>

**Liabilities:**

Interest rate

|           |             |  |            |
|-----------|-------------|--|------------|
| contracts | \$ (26,279) |  | \$(26,279) |
|-----------|-------------|--|------------|

<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.

SEMI-ANNUAL REPORT JANUARY 31, 2012 29

**BlackRock MuniYield Pennsylvania Quality Fund (MPA)**  
 (Percentages shown are based on Net Assets)

Schedule of Investments January 31, 2012 (Unaudited)

|                                                                                                                                                   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                                                            |                      |              |
| <b>Pennsylvania 103.4%</b>                                                                                                                        |                      |              |
| <b>Corporate 5.2%</b>                                                                                                                             |                      |              |
| Beaver County IDA, Refunding RB, FirstEnergy,<br>Mandatory Put Bonds, 3.38%, 1/01/35 (a)                                                          | \$ 1,200             | \$ 1,219,956 |
| Delaware County IDA Pennsylvania, Refunding RB,<br>Water<br>Facilities, Aqua Pennsylvania Inc. Project, Series B,<br>AMT (NPFGC), 5.00%, 11/01/36 | 2,520                | 2,605,025    |
| Northumberland County IDA, Refunding RB, Aqua<br>Pennsylvania Inc. Project, AMT (NPFGC),<br>5.05%, 10/01/39                                       | 4,500                | 4,606,695    |
| Pennsylvania Economic Development Financing<br>Authority, RB, Series A, Waste Management, Inc.<br>Project, AMT, 5.10%, 10/01/27                   | 1,200                | 1,233,384    |
|                                                                                                                                                   |                      | 9,665,060    |
| <b>County/City/Special District/School District 30.1%</b>                                                                                         |                      |              |
| Chambersburg Area School District, GO (NPFGC):<br>5.25%, 3/01/26                                                                                  | 2,115                | 2,364,189    |
| 5.25%, 3/01/27                                                                                                                                    | 2,500                | 2,755,575    |
| City of Philadelphia Pennsylvania, GO, Refunding,<br>Series A (AGM), 5.25%, 12/15/32                                                              | 7,000                | 7,675,010    |
| City of Pittsburgh PA, GO, Series B:<br>5.00%, 9/01/25 (b)                                                                                        | 1,600                | 1,826,368    |
| 5.00%, 9/01/26                                                                                                                                    | 970                  | 1,096,546    |
| Connellsville Area School District, GO, Series B (AGM),<br>5.00%, 11/15/37                                                                        | 1,000                | 1,021,550    |
| County of York Pennsylvania, GO, 5.00%, 3/01/36                                                                                                   | 400                  | 443,204      |
| Delaware Valley Regional Financial Authority, RB,<br>Series A (AMBAC), 5.50%, 8/01/28                                                             | 1,000                | 1,154,920    |
| East Stroudsburg Area School District, GO, Series A<br>(NPFGC), 7.75%, 9/01/27                                                                    | 2,000                | 2,554,380    |
| Erie County Conventional Center Authority, RB<br>(NPFGC),<br>5.00%, 1/15/36                                                                       | 8,850                | 9,159,130    |
| Falls Township Pennsylvania, RB, Water & Sewer<br>Authority, 5.00%, 12/01/37                                                                      | 1,070                | 1,191,199    |
| Marple Newtown School District, GO (AGM),<br>5.00%, 6/01/31                                                                                       | 3,500                | 4,082,855    |
| Northeastern School District York County, GO, Series B<br>(NPFGC), 5.00%, 4/01/32                                                                 | 1,585                | 1,712,751    |
| Philadelphia Redevelopment Authority, RB:<br>Neighborhood Transformation, Series A (NPFGC),                                                       |                      |              |

|                                                                                 |       |            |
|---------------------------------------------------------------------------------|-------|------------|
| 5.50%, 4/15/22                                                                  | 1,750 | 1,762,863  |
| Quality Redevelopment Neighborhood, Series B AMT (FGIC), 5.00%, 4/15/27         | 4,645 | 4,793,176  |
| Philadelphia School District, GO:                                               |       |            |
| Series B (FGIC), 5.63%, 8/01/12 (c)                                             | 4,250 | 4,365,430  |
| Series E, 6.00%, 9/01/38                                                        | 3,300 | 3,764,574  |
| Philadelphia School District, GO, Refunding, Series A (BHAC), 5.00%, 6/01/34    | 1,000 | 1,127,550  |
| Philipsburg Osceola Area School District Pennsylvania, GO (AGM), 5.00%, 4/01/41 | 755   | 793,701    |
| Shaler Area School District Pennsylvania, GO, CAB (Syncora), 4.82%, 9/01/30 (d) | 6,145 | 2,874,754  |
|                                                                                 |       | 56,519,725 |

**Education 8.5%**

|                                                                     |       |            |
|---------------------------------------------------------------------|-------|------------|
| Adams County IDA, Refunding RB, Gettysburg College, 5.00%, 8/15/26  | 100   | 113,956    |
| Pennsylvania Higher Educational Facilities Authority, RB (NPFGC):   |       |            |
| Drexel University, Series A, 5.00%, 5/01/37                         | 1,500 | 1,596,090  |
| Series AE, 4.75%, 6/15/32                                           | 8,845 | 9,303,967  |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB: |       |            |
| Drexel University Series A, 5.25%, 5/01/41                          | 2,750 | 3,035,808  |
| State System Higher Education, Series AI, 5.00%, 6/15/35            | 1,780 | 1,983,187  |
|                                                                     |       | 16,033,008 |

|                                 | <b>Par<br/>(000)</b> | <b>Value</b> |
|---------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>          |                      |              |
| <b>Pennsylvania (continued)</b> |                      |              |

**Health 11.1%**

|                                                         |          |              |
|---------------------------------------------------------|----------|--------------|
| Allegheny County Hospital Development Authority, RB,    |          |              |
| Health Center, UPMC Health, Series B (NPFGC),           |          |              |
| 6.00%, 7/01/26                                          | \$ 2,000 | \$ 2,634,440 |
| Centre County Hospital Authority, RB, Mount Nittany     |          |              |
| Medical Center Project, 7.00%, 11/15/46                 | 2,020    | 2,356,451    |
| County of Lehigh Pennsylvania, RB, Lehigh Valley Health |          |              |
| Network, Series A (AGM), 5.00%, 7/01/33                 | 7,995    | 8,471,102    |
| Cumberland County Municipal Authority, RB, Diakon       |          |              |
| Lutheran, 6.38%, 1/01/39                                | 500      | 537,645      |
| Montgomery County Higher Education & Health Authority,  |          |              |
| Refunding RB, Abington Memorial Hospital, Series A,     |          |              |
| 5.13%, 6/01/33                                          | 490      | 511,408      |

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Montgomery County IDA Pennsylvania, RB,  
Acts

Retirement Life Community:

4.50%, 11/15/36 295 262,627

Series A-1, 6.25%, 11/15/29 235 263,174

Philadelphia Hospitals & Higher Education  
Facilities

Authority, Refunding RB, Presbyterian Medical  
Center,

6.65%, 12/01/19 (e) 3,000 3,707,370

South Fork Municipal Authority, Refunding  
RB, Conemaugh

Valley Memorial, Series B (AGC), 5.38%,  
7/01/35 2,000 2,175,440  
20,919,657

**Housing 5.3%**

Pennsylvania HFA, RB, Series 95-A, AMT,  
4.90%, 10/01/37 1,000 1,007,940

Pennsylvania HFA, Refunding RB, AMT:  
4.85%, 10/01/37 4,125 4,241,573

S/F Mortgage, Series 92-A, 4.75%, 4/01/31 695 700,643

Series 99-A, 5.15%, 4/01/38 800 869,064

Philadelphia Housing Authority Capital Fund  
Program,

RB, Series A (AGM), 5.50%, 12/01/18 3,000 3,109,710  
9,928,930

**State 12.3%**

Commonwealth of Pennsylvania, GO:

5.00%, 11/15/30 6,355 7,635,024

First Series, 5.00%, 11/15/19 3,000 3,774,360

Pennsylvania Turnpike Commission, RB, Series  
C of 2003

Pennsylvania Turnpike (NPFGC), 5.00%,  
12/01/32 3,600 3,927,780

State Public School Building Authority, RB:

(AGM) CAB, Corry Area School District,  
4.85%, 12/15/22 (d) 1,640 1,154,363

(AGM) CAB, Corry Area School District,  
4.87%, 12/15/23 (d) 1,980 1,327,352

(AGM) CAB, Corry Area School District,  
4.89%, 12/15/24 (d) 1,980 1,268,685

(AGM) CAB, Corry Area School District,  
4.92%, 12/15/25 (d) 1,770 1,086,515

School District Philadelphia Project, Series B  
(AGM),

5.00%, 6/01/26 1,500 1,643,100

State Public School Building Authority,  
Refunding RB,

Harrisburg School District Project, Series A  
(AGC),

5.00%, 11/15/33 1,200 1,296,420

23,113,599

**Transportation 12.8%**

City of Philadelphia Pennsylvania, RB, Series

A,

5.00%, 6/15/40

2,500 2,621,825

Delaware River Port Authority, RB, Series D

(AGC),

5.00%, 1/01/40

1,560 1,685,798

Pennsylvania Economic Development

Financing Authority,

RB, Amtrak Project, Series A, AMT, 6.38%,

11/01/41

150 150,927

See Notes to Financial Statements.

30SEMI-ANNUAL REPORT JANUARY 31, 2012

## Schedule of Investments (continued)

BlackRock MuniYield Pennsylvania Quality Fund  
(MPA)

(Percentages shown are based on Net Assets)

**Municipal Bonds**  
**Pennsylvania (concluded)****Par**  
**(000) Value****Transportation (concluded)**

Pennsylvania Turnpike Commission, RB:

5.25%, 12/01/41 \$ 1,750 \$ 1,906,975

Series A (AMBAC), 5.50%, 12/01/31 7,800 8,525,556

Series A (AMBAC), 5.25%, 12/01/32 350 372,792

Sub-Series A, 6.00%, 12/01/41 700 780,913

Sub-Series B (AGM), 5.25%, 6/01/39 3,500 3,796,310

Southeastern Pennsylvania Transportation Authority, RB,

Capital Grant Receipts:

5.00%, 6/01/28 1,570 1,795,028

5.00%, 6/01/29 2,080 2,360,176

23,996,300

**Utilities 18.1%**

Allegheny County Sanitation Authority, Refunding RB,

Series A (NPFGC), 5.00%, 12/01/30 5,000 5,500,000

City of Philadelphia Pennsylvania, RB:

1998 General Ordinance, 4th Series (AGM),

5.00%, 8/01/32 3,300 3,347,091

Ninth Series, 5.25%, 8/01/40 1,430 1,490,704

Series A, 5.25%, 1/01/36 700 758,989

Series C (AMBAC), 5.00%, 8/01/40 3,000 3,279,930

Delaware County IDA Pennsylvania, RB, Pennsylvania

Suburban Water Co. Project, Series A, AMT (AMBAC),

5.15%, 9/01/32 5,500 5,607,195

Lycoming County Water &amp; Sewer Authority, RB (AGM),

5.00%, 11/15/41 400 425,420

Northampton Boro Municipal Authority, RB (NPFGC),

5.00%, 5/15/34 935 963,256

Pennsylvania Economic Development Financing

Authority, RB:

American Water Co. Project, 6.20%, 4/01/39 1,300 1,509,976

Philadelphia Biosolids Facility, 6.25%, 1/01/32 900 989,415

Pennsylvania IDA, Refunding RB, Economic Development

(AMBAC), 5.50%, 7/01/20 7,000 7,181,860

Reading Area Water Authority Pennsylvania, RB (AGM),

5.00%, 12/01/27 2,680 2,947,946

34,001,782

**Total Municipal Bonds in Pennsylvania 194,178,061****Guam 2.3%**

**State 0.5%**

|                                                                 |     |         |
|-----------------------------------------------------------------|-----|---------|
| Territory of Guam, RB, Section 30, Series A,<br>5.63%, 12/01/29 | 805 | 866,374 |
|-----------------------------------------------------------------|-----|---------|

**Transportation 1.3%**

|                                                                                                        |       |           |
|--------------------------------------------------------------------------------------------------------|-------|-----------|
| Guam International Airport Authority, Refunding RB,<br>General, Series C, AMT (NPFGC), 5.00%, 10/01/23 | 2,500 | 2,541,000 |
|--------------------------------------------------------------------------------------------------------|-------|-----------|

**Utilities 0.5%**

|                                                                        |     |         |
|------------------------------------------------------------------------|-----|---------|
| Guam Power Authority, Refunding RB, Series A (AGM),<br>5.00%, 10/01/37 | 850 | 920,754 |
|------------------------------------------------------------------------|-----|---------|

|                                      |  |           |
|--------------------------------------|--|-----------|
| <b>Total Municipal Bonds in Guam</b> |  | 4,328,128 |
|--------------------------------------|--|-----------|

**Puerto Rico 3.7%****State 3.7%**

|                                                                                                     |       |           |
|-----------------------------------------------------------------------------------------------------|-------|-----------|
| Commonwealth of Puerto Rico, GO, Refunding, Public<br>Improvement, Series A-4 (AGM), 5.25%, 7/01/30 | 1,270 | 1,389,672 |
|-----------------------------------------------------------------------------------------------------|-------|-----------|

|                                                                        |       |           |
|------------------------------------------------------------------------|-------|-----------|
| Puerto Rico Sales Tax Financing Corp., RB, Series C,<br>5.25%, 8/01/40 | 5,000 | 5,552,550 |
|------------------------------------------------------------------------|-------|-----------|

|                                             |  |           |
|---------------------------------------------|--|-----------|
| <b>Total Municipal Bonds in Puerto Rico</b> |  | 6,942,222 |
|---------------------------------------------|--|-----------|

|                                     |  |             |
|-------------------------------------|--|-------------|
| <b>Total Municipal Bonds 109.4%</b> |  | 205,448,411 |
|-------------------------------------|--|-------------|

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (f)**

|                      |              |
|----------------------|--------------|
| <b>Par<br/>(000)</b> | <b>Value</b> |
|----------------------|--------------|

**Pennsylvania 40.7%****County/City/Special District/School District 4.2%**

|                                                                               |          |             |
|-------------------------------------------------------------------------------|----------|-------------|
| East Stroudsburg Area School District, GO, Refunding<br>(AGM), 5.00%, 9/01/25 | \$ 7,000 | \$7,851,060 |
|-------------------------------------------------------------------------------|----------|-------------|

**Education 4.0%**

|                                                                                                                          |       |           |
|--------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| Pennsylvania Higher Educational Facilities Authority,<br>RB, University of Pennsylvania Health System,<br>5.75%, 8/15/41 | 4,270 | 4,872,241 |
|--------------------------------------------------------------------------------------------------------------------------|-------|-----------|

|                                                                                            |       |                        |
|--------------------------------------------------------------------------------------------|-------|------------------------|
| University of Pittsburgh Pennsylvania, RB, Capital<br>Project,<br>Series B, 5.00%, 9/15/28 | 2,202 | 2,614,575<br>7,486,816 |
|--------------------------------------------------------------------------------------------|-------|------------------------|

**Health 9.6%**

|                                                                                   |       |                         |
|-----------------------------------------------------------------------------------|-------|-------------------------|
| Geisinger Authority, RB:<br>5.13%, 6/01/34                                        | 2,500 | 2,716,825               |
| 5.25%, 6/01/39                                                                    | 3,128 | 3,397,602               |
| 5.13%, 6/01/41                                                                    | 6,270 | 6,834,990               |
| Philadelphia Hospitals & Higher Education Facilities<br>Authority, 5.00%, 7/01/41 | 4,680 | 5,040,266<br>17,989,683 |

**Housing 1.5%**

|                                                         |       |           |
|---------------------------------------------------------|-------|-----------|
| Pennsylvania HFA, Refunding RB, AMT, 4.70%,<br>10/01/37 | 2,950 | 2,960,856 |
|---------------------------------------------------------|-------|-----------|

**State 17.3%**

|                                                                   |       |           |
|-------------------------------------------------------------------|-------|-----------|
| Commonwealth of Pennsylvania, GO, First Series,<br>5.00%, 3/15/28 | 5,203 | 6,177,794 |
|-------------------------------------------------------------------|-------|-----------|

Pennsylvania Turnpike Commission, RB, Series C of 2003

Pennsylvania Turnpike (NPFGC), 5.00%, 12/01/32 10,000 10,910,500

State Public School Building Authority, Refunding RB,  
School District of Philadelphia Project, Series B (AGM),  
5.00%, 6/01/26 14,026 15,364,281  
32,452,575

**Transportation 4.1%**

City of Philadelphia Pennsylvania, RB, AMT (AGM),  
5.00%, 6/15/37 7,500 7,705,650

**Total Municipal Bonds Transferred to  
Tender Option Bond Trusts 40.7%** 76,446,640

**Total Long-Term Investments**  
(Cost \$262,841,810) 150.1% 281,895,051

**Short-Term Securities**

**Shares**

BIF Pennsylvania Municipal Money Fund,  
0.00% (g)(h) 9,011,996 9,011,996

**Total Short-Term Securities**  
(Cost \$9,011,996) 4.8% 9,011,996

**Total Investments (Cost \$271,853,806) 154.9%** 290,907,047

**Liabilities in Excess of Other Assets (0.4)%** (695,676 )

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

**Expense and Fees Payable (19.2)%** (36,113,828 )

**VRDP Shares, at Liquidation Value (35.3)%** (66,300,000 )

**Net Assets Applicable to Common Shares 100.0%** \$187,797,543

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 31



## Schedule of Investments (concluded)

## BlackRock MuniYield Pennsylvania Quality Fund (MPA)

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

|                     |             | Unrealized   |
|---------------------|-------------|--------------|
| Counterparty        | Value       | Appreciation |
| First Clearing, LLC | \$1,826,368 | \$ 9,344     |

- (c) US 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 zero-coupon bond. Rate shown reflects the current yield as of report date.  
 (e) Security is collateralized by Municipal or US Treasury obligations.  
 Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest  
 (f) certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.  
 (g) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                                   | Shares Held<br>at July 31,<br>2011 | Net<br>Activity | Shares Held<br>at January 31,<br>2012 | Income |
|---------------------------------------------|------------------------------------|-----------------|---------------------------------------|--------|
| BIF Pennsylvania<br>Municipal<br>Money Fund | 8,744,788                          | 267,208         | 9,011,996                             |        |

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

For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes and/or as defined by Fund management. 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. These inputs 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 and liabilities

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)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy.

The categorization of a value determined for investments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
| Assets:          |         |         |         |       |

Investments:

|                          |               |               |               |
|--------------------------|---------------|---------------|---------------|
| Long-Term                |               |               |               |
| Investments <sup>1</sup> | \$281,895,051 |               | \$281,895,051 |
| Short-Term               |               |               |               |
| Securities               | \$9,011,996   |               | 9,011,996     |
| <b>Total</b>             | \$9,011,996   | \$281,895,051 | \$290,907,047 |

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

32 SEMI-ANNUAL REPORT JANUARY 31, 2012

## 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>January 31, 2012 (Unaudited)</b>                                                |                                                                                       |                                                                                       |                                                                              |                                                                                  |                                                                                    |
| <b>Assets</b>                                                                      |                                                                                       |                                                                                       |                                                                              |                                                                                  |                                                                                    |
| Investments at value unaffiliated                                                  | \$1,077,817,346                                                                       | \$531,852,270                                                                         | \$203,449,608                                                                | \$442,511,734                                                                    | \$212,004,539                                                                      |
| Investments at value affiliated                                                    | 14,314,399                                                                            | 10,688,194                                                                            | 4,599,576                                                                    | 6,603,939                                                                        | 4,514,258                                                                          |
| Cash                                                                               | 3,035,428                                                                             | 37,763                                                                                |                                                                              |                                                                                  |                                                                                    |
| Cash pledged as collateral for financial futures contracts                         | 144,000                                                                               | 77,000                                                                                | 83,000                                                                       | 68,000                                                                           | 29,000                                                                             |
| Interest receivable                                                                | 14,490,437                                                                            | 4,718,687                                                                             | 2,442,035                                                                    | 4,858,446                                                                        | 1,745,624                                                                          |
| Investments sold receivable                                                        | 7,404,278                                                                             | 1,380,000                                                                             | 2,209,509                                                                    |                                                                                  |                                                                                    |
| Deferred offering costs                                                            |                                                                                       | 522,835                                                                               | 44,403                                                                       | 351,581                                                                          | 299,589                                                                            |
| TOB trust receivable                                                               |                                                                                       |                                                                                       | 2,000,000                                                                    |                                                                                  |                                                                                    |
| Prepaid expenses                                                                   | 9,329                                                                                 | 4,710                                                                                 | 2,990                                                                        | 6,773                                                                            | 3,718                                                                              |
| Other assets                                                                       | 126,495                                                                               |                                                                                       |                                                                              | 50,648                                                                           | 2,344                                                                              |
| Total assets                                                                       | 1,117,341,712                                                                         | 549,281,459                                                                           | 214,831,121                                                                  | 454,451,121                                                                      | 218,599,072                                                                        |
| <b>Accrued Liabilities</b>                                                         |                                                                                       |                                                                                       |                                                                              |                                                                                  |                                                                                    |
| Bank overdraft                                                                     |                                                                                       |                                                                                       | 18,181                                                                       | 42,313                                                                           | 18,939                                                                             |
| Investments purchased payable                                                      | 10,633,691                                                                            |                                                                                       | 4,708,378                                                                    |                                                                                  |                                                                                    |
| Income dividends payable Common Shares                                             | 3,126,896                                                                             | 1,536,668                                                                             | 553,206                                                                      | 1,369,390                                                                        | 623,376                                                                            |
| Investment advisory fees payable                                                   | 451,358                                                                               | 235,361                                                                               | 82,538                                                                       | 181,089                                                                          | 86,254                                                                             |
| Interest expense and fees payable                                                  | 88,329                                                                                | 44,704                                                                                | 57,139                                                                       | 30,344                                                                           | 16,725                                                                             |
| Margin variation payable                                                           | 16,406                                                                                | 8,750                                                                                 | 9,406                                                                        | 7,656                                                                            | 3,281                                                                              |
| Officer's and Directors' fees payable                                              | 8,156                                                                                 | 2,336                                                                                 | 724                                                                          | 1,803                                                                            | 139                                                                                |
| Other accrued expenses payable                                                     | 154,161                                                                               | 302,398                                                                               | 26,573                                                                       |                                                                                  | 77,653                                                                             |
| Total accrued liabilities                                                          | 14,478,997                                                                            | 2,130,217                                                                             | 5,456,145                                                                    | 1,632,595                                                                        | 826,367                                                                            |
| <b>Other Liabilities</b>                                                           |                                                                                       |                                                                                       |                                                                              |                                                                                  |                                                                                    |
| TOB trust certificates                                                             | 199,972,247                                                                           | 28,559,240                                                                            | 24,723,436                                                                   | 18,395,000                                                                       | 11,703,052                                                                         |
| VRDP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup>            |                                                                                       | 172,700,000                                                                           |                                                                              | 144,600,000                                                                      | 64,400,000                                                                         |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup>            |                                                                                       |                                                                                       | 56,500,000                                                                   |                                                                                  |                                                                                    |
| Total other liabilities                                                            | 199,972,247                                                                           | 201,259,240                                                                           | 81,223,436                                                                   | 162,995,000                                                                      | 76,103,052                                                                         |
| <b>Total Liabilities</b>                                                           | 214,451,244                                                                           | 203,389,457                                                                           | 86,679,581                                                                   | 164,627,595                                                                      | 76,929,419                                                                         |
| <b>AMPS at Redemption Value</b>                                                    |                                                                                       |                                                                                       |                                                                              |                                                                                  |                                                                                    |
| \$25,000 per share at liquidation preference, plus unpaid dividends <sup>3,4</sup> | 254,004,140                                                                           |                                                                                       |                                                                              |                                                                                  |                                                                                    |
| <b>Net Assets Applicable to Common Shareholders</b>                                | \$648,886,328                                                                         | \$345,892,002                                                                         | \$128,151,540                                                                | \$289,823,526                                                                    | \$141,669,653                                                                      |

**Net Assets Applicable to Common Shareholders Consist of**

|                                               |                 |               |               |               |               |
|-----------------------------------------------|-----------------|---------------|---------------|---------------|---------------|
| Paid-in capital <sup>5,6</sup>                | \$584,137,285   | \$299,019,497 | \$118,045,125 | \$263,742,285 | \$124,799,488 |
| Undistributed net investment income           | 12,985,028      | 5,878,927     | 2,131,937     | 3,585,240     | 2,700,069     |
| Accumulated net realized loss                 | (20,149,468)    | (1,933,768)   | (10,728,836)  | (8,152,347)   | (652,037)     |
| Net unrealized appreciation/depreciation      | 71,913,483      | 42,927,346    | 18,703,314    | 30,648,348    | 14,822,133    |
| Net Assets Applicable to Common Shareholders  | \$648,886,328   | \$345,892,002 | \$128,151,540 | \$289,823,526 | \$141,669,653 |
| Net asset value per Common Share              | \$15.88         | \$16.26       | \$15.13       | \$15.91       | \$16.01       |
| <sup>1</sup> Investments at cost unaffiliated | \$1,005,772,469 | \$488,854,847 | \$184,670,962 | \$411,802,071 | \$197,156,127 |
| <sup>2</sup> Investments at cost affiliated   | \$14,314,399    | \$10,688,194  | \$4,599,576   | \$6,603,939   | \$4,514,258   |
| <sup>3</sup> Preferred Shares outstanding:    |                 |               |               |               |               |
| Par value \$0.05 per share                    |                 |               | 565           |               |               |
| Par value \$0.10 per share                    | 10,160          | 1,727         |               | 1,446         | 644           |
| <sup>4</sup> Preferred Shares authorized      | 15,600          | 9,847         | 1 million     | 8,046         | 3,584         |
| <sup>5</sup> Common Shares outstanding        | 40,874,458      | 21,268,248    | 8,467,395     | 18,217,615    | 8,850,570     |
| <sup>6</sup> Common Shares authorized         | 200 million     | 200 million   | unlimited     | 200 million   | 200 million   |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 33

## Statements of Operations

|                                                                                                   | <b>BlackRock<br/>MuniHolding<br/>California<br/>Quality<br/>Fund, Inc.<br/>(MUC)</b> | <b>BlackRock<br/>MuniHolding<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/>(MJJ)</b> |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Six Months Ended January 31, 2012 (Unaudited)</b>                                              |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| <b>Investment Income</b>                                                                          |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| Interest                                                                                          | \$23,696,570                                                                         | \$11,366,661                                                                         | \$4,583,387                                                                  | \$10,256,856                                                                     | \$4,724,521                                                                        |
| Income affiliated                                                                                 | 5,483                                                                                | 2,105                                                                                | 324                                                                          |                                                                                  | 16                                                                                 |
| Total income                                                                                      | 23,702,053                                                                           | 11,368,766                                                                           | 4,583,711                                                                    | 10,256,856                                                                       | 4,724,537                                                                          |
| <b>Expenses</b>                                                                                   |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| Investment advisory                                                                               | 2,905,673                                                                            | 1,425,689                                                                            | 487,750                                                                      | 1,097,647                                                                        | 514,506                                                                            |
| Liquidity fees                                                                                    |                                                                                      | 620,692                                                                              |                                                                              | 564,555                                                                          | 231,457                                                                            |
| Professional                                                                                      | 116,900                                                                              | 55,717                                                                               | 39,551                                                                       | 56,177                                                                           | 45,011                                                                             |
| Remarketing fees on Preferred Shares                                                              | 173,597                                                                              | 87,060                                                                               | 38,968                                                                       | 73,907                                                                           | 32,465                                                                             |
| Accounting services                                                                               | 67,593                                                                               | 43,217                                                                               | 22,863                                                                       | 35,228                                                                           | 22,750                                                                             |
| Transfer agent                                                                                    | 33,679                                                                               | 26,228                                                                               | 17,538                                                                       | 12,253                                                                           | 11,767                                                                             |
| Officer and Directors                                                                             | 26,957                                                                               | 16,861                                                                               | 6,329                                                                        | 12,082                                                                           | 6,709                                                                              |
| Printing                                                                                          | 26,721                                                                               | 16,553                                                                               | 6,025                                                                        | 13,740                                                                           | 5,855                                                                              |
| Custodian                                                                                         | 19,007                                                                               | 11,983                                                                               | 5,169                                                                        | 10,415                                                                           | 6,416                                                                              |
| Registration                                                                                      | 6,561                                                                                | 4,993                                                                                | 4,319                                                                        | 11,452                                                                           | 4,796                                                                              |
| Miscellaneous                                                                                     | 39,650                                                                               | 52,814                                                                               | 19,334                                                                       | 28,604                                                                           | 26,869                                                                             |
| Total expenses excluding interest expense, fees and amortization of offering costs                | 3,416,338                                                                            | 2,361,807                                                                            | 647,846                                                                      | 1,916,060                                                                        | 908,601                                                                            |
| Interest expense, fees and amortization of offering costs <sup>1</sup>                            | 618,585                                                                              | 546,885                                                                              | 150,084                                                                      | 444,031                                                                          | 208,204                                                                            |
| Total expenses                                                                                    | 4,034,923                                                                            | 2,908,692                                                                            | 797,930                                                                      | 2,360,091                                                                        | 1,116,805                                                                          |
| Less fees waived by advisor                                                                       | (324,017 )                                                                           | (58,424 )                                                                            | (1,361 )                                                                     | (653 )                                                                           | (5,327 )                                                                           |
| Total expenses after fees waived                                                                  | 3,710,906                                                                            | 2,850,268                                                                            | 796,569                                                                      | 2,359,438                                                                        | 1,111,478                                                                          |
| Net investment income                                                                             | 19,991,147                                                                           | 8,518,498                                                                            | 3,787,142                                                                    | 7,897,418                                                                        | 3,613,059                                                                          |
| <b>Realized and Unrealized Gain (Loss)</b>                                                        |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| Net realized gain (loss) from:                                                                    |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| Investments                                                                                       | 2,466,703                                                                            | 1,097,340                                                                            | 1,500,172                                                                    | 602,128                                                                          | 220,971                                                                            |
| Financial futures contracts                                                                       | 57,264                                                                               | (580,602 )                                                                           | (159,513 )                                                                   | (513,621 )                                                                       | (250,201 )                                                                         |
|                                                                                                   | 2,523,967                                                                            | 516,738                                                                              | 1,340,659                                                                    | 88,507                                                                           | (29,230 )                                                                          |
| Net change in unrealized appreciation/depreciation on:                                            |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| Investments                                                                                       | 62,136,097                                                                           | 32,774,523                                                                           | 13,234,424                                                                   | 23,720,025                                                                       | 13,436,340                                                                         |
| Financial futures contracts                                                                       | (131,393 )                                                                           | 274,887                                                                              | 21,991                                                                       | 250,115                                                                          | 126,193                                                                            |
|                                                                                                   | 62,004,704                                                                           | 33,049,410                                                                           | 13,256,415                                                                   | 23,970,140                                                                       | 13,562,533                                                                         |
| Total realized and unrealized gain                                                                | 64,528,671                                                                           | 33,566,148                                                                           | 14,597,074                                                                   | 24,058,647                                                                       | 13,533,303                                                                         |
| <b>Dividends to AMPS Shareholders From</b>                                                        |                                                                                      |                                                                                      |                                                                              |                                                                                  |                                                                                    |
| Net investment income                                                                             | (272,243 )                                                                           |                                                                                      | (101,371 )                                                                   |                                                                                  |                                                                                    |
| <b>Net Increase in Net Assets Applicable to<br/>Common Shareholders Resulting from Operations</b> | \$84,247,575                                                                         | \$42,084,646                                                                         | \$18,282,845                                                                 | \$31,956,065                                                                     | \$17,146,362                                                                       |

<sup>1</sup> Related to TOBs, VRDP Shares and/or VMTP Shares.  
See Notes to Financial Statements.

34 SEMI-ANNUAL REPORT JANUARY 31, 2012

## Statements of Changes in Net Assets

|                                                                                        | <b>BlackRock MuniHoldings<br/>California<br/>Quality Fund, Inc. (MUC)</b> |                          | <b>BlackRock MuniHoldings<br/>New<br/>Jersey Quality Fund, Inc.<br/>(MUJ)</b> |                          |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------|--------------------------|
|                                                                                        | <b>Six Months<br/>Ended</b>                                               | <b>Year Ended</b>        | <b>Six Months<br/>Ended</b>                                                   | <b>Year Ended</b>        |
| <b>Increase (Decrease) in Net Assets Applicable to<br/>Common Shareholders:</b>        | <b>January 31,<br/>2012<br/>(Unaudited)</b>                               | <b>July 31,<br/>2011</b> | <b>January 31,<br/>2012<br/>(Unaudited)</b>                                   | <b>July 31,<br/>2011</b> |
| <b>Operations</b>                                                                      |                                                                           |                          |                                                                               |                          |
| Net investment income                                                                  | \$ 19,991,147                                                             | \$ 39,555,605            | \$ 8,518,498                                                                  | \$ 19,630,428            |
| Net realized gain (loss)                                                               | 2,523,967                                                                 | (9,301,860)              | 516,738                                                                       | (1,057,489)              |
| Net change in unrealized appreciation/depreciation                                     | 62,004,704                                                                | (3,868,632)              | 33,049,410                                                                    | (8,879,645)              |
| Dividends to AMPS Shareholders from net investment income                              | (272,243)                                                                 | (931,589)                |                                                                               | (627,047)                |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 84,247,575                                                                | 25,453,524               | 42,084,646                                                                    | 9,066,247                |
| <b>Dividends to Common Shareholders From</b>                                           |                                                                           |                          |                                                                               |                          |
| Net investment income                                                                  | (18,761,376)                                                              | (36,787,012)             | (9,439,234)                                                                   | (18,852,930)             |
| <b>Capital Share Transactions</b>                                                      |                                                                           |                          |                                                                               |                          |
| Reinvestment of common dividends                                                       |                                                                           |                          | 162,674                                                                       | 189,682                  |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |                                                                           |                          |                                                                               |                          |
| Total increase (decrease) in net assets applicable to Common Shareholders              | 65,486,199                                                                | (11,333,488)             | 32,808,086                                                                    | (9,597,001)              |
| Beginning of period                                                                    | 583,400,129                                                               | 594,733,617              | 313,083,916                                                                   | 322,680,917              |
| End of period                                                                          | \$648,886,328                                                             | \$583,400,129            | \$345,892,002                                                                 | \$313,083,916            |
| Undistributed net investment income                                                    | \$ 12,985,028                                                             | \$ 12,027,500            | \$ 5,878,927                                                                  | \$ 6,799,663             |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 35

## Statements of Changes in Net Assets

|                                                                                           | <b>BlackRock MuniYield<br/>Investment<br/>Quality Fund (MFT)<br/>Six Months<br/>Ended</b> |                                         | <b>BlackRock MuniYield<br/>Michigan<br/>Quality Fund, Inc. (MIY)<br/>Six Months<br/>Ended</b> |                                         |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------|
|                                                                                           | <b>January 31,<br/>2012<br/>(Unaudited)</b>                                               | <b>Year Ended<br/>July 31,<br/>2011</b> | <b>January 31,<br/>2012<br/>(Unaudited)</b>                                                   | <b>Year Ended<br/>July 31,<br/>2011</b> |
| <b>Increase (Decrease) in Net Assets Applicable to<br/>Common Shareholders:</b>           |                                                                                           |                                         |                                                                                               |                                         |
| <b>Operations</b>                                                                         |                                                                                           |                                         |                                                                                               |                                         |
| Net investment income                                                                     | \$ 3,787,142                                                                              | \$ 7,724,014                            | \$ 7,897,418                                                                                  | \$ 16,987,044                           |
| Net realized gain (loss)                                                                  | 1,340,659                                                                                 | (1,973,825)                             | 88,507                                                                                        | 665,730                                 |
| Net change in unrealized appreciation/depreciation                                        | 13,256,415                                                                                | (2,240,288)                             | 23,970,140                                                                                    | (5,598,697)                             |
| Dividends to AMPS Shareholders from net investment<br>income                              | (101,371)                                                                                 | (308,831)                               |                                                                                               | (651,184)                               |
| Net increase in net assets applicable to Common<br>Shareholders resulting from operations | 18,282,845                                                                                | 3,201,070                               | 31,956,065                                                                                    | 11,402,893                              |
| <b>Dividends to Common Shareholders From</b>                                              |                                                                                           |                                         |                                                                                               |                                         |
| Net investment income                                                                     | (3,605,938)                                                                               | (7,210,628)                             | (8,632,473)                                                                                   | (16,686,075)                            |
| <b>Capital Share Transactions</b>                                                         |                                                                                           |                                         |                                                                                               |                                         |
| Reinvestment of common dividends                                                          | 51,841                                                                                    | 91,502                                  | 173,683                                                                                       |                                         |
| <b>Net Assets Applicable to Common Shareholders</b>                                       |                                                                                           |                                         |                                                                                               |                                         |
| Total increase (decrease) in net assets applicable to<br>Common Shareholders              | 14,728,748                                                                                | (3,918,056)                             | 23,497,275                                                                                    | (5,283,182)                             |
| Beginning of period                                                                       | 113,422,792                                                                               | 117,340,848                             | 266,326,251                                                                                   | 271,609,433                             |
| End of period                                                                             | \$ 128,151,540                                                                            | \$ 113,422,792                          | \$ 289,823,526                                                                                | \$ 266,326,251                          |
| Undistributed net investment income                                                       | \$ 2,131,937                                                                              | \$ 2,052,104                            | \$ 3,585,240                                                                                  | \$ 4,320,295                            |

See Notes to Financial Statements.

36SEMI-ANNUAL REPORT JANUARY 31, 2012



## Statements of Changes in Net Assets

|                                                                                           | <b>BlackRock MuniYield New<br/>Jersey<br/>Quality Fund, Inc. (MJI)<br/>Six Months<br/>Ended</b> |                                         | <b>BlackRock MuniYield<br/>Pennsylvania<br/>Quality Fund (MPA)<br/>Six Months<br/>Ended</b> |                                         |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------|
|                                                                                           | <b>January 31,<br/>2012<br/>(Unaudited)</b>                                                     | <b>Year Ended<br/>July 31,<br/>2011</b> | <b>January 31,<br/>2012<br/>(Unaudited)</b>                                                 | <b>Year Ended<br/>July 31,<br/>2011</b> |
| <b>Increase (Decrease) in Net Assets Applicable to<br/>Common Shareholders:</b>           |                                                                                                 |                                         |                                                                                             |                                         |
| <b>Operations</b>                                                                         |                                                                                                 |                                         |                                                                                             |                                         |
| Net investment income                                                                     | \$3,613,059                                                                                     | \$8,005,293                             | \$4,959,032                                                                                 | \$10,563,541                            |
| Net realized gain (loss)                                                                  | (29,230 )                                                                                       | 171,906                                 | 563,384                                                                                     | 143,339                                 |
| Net change in unrealized appreciation/depreciation                                        | 13,562,533                                                                                      | (4,320,508 )                            | 15,498,093                                                                                  | (4,542,999 )                            |
| Dividend to AMPS Shareholders from net investment<br>income                               |                                                                                                 | (394,067 )                              |                                                                                             | (313,247 )                              |
| Net increase in net assets applicable to Common<br>Shareholders resulting from operations | 17,146,362                                                                                      | 3,462,624                               | 21,020,509                                                                                  | 5,850,634                               |
| <b>Dividends and Distributions to Common Shareholders From</b>                            |                                                                                                 |                                         |                                                                                             |                                         |
| Net investment income                                                                     | (4,089,164 )                                                                                    | (7,636,680 )                            | (5,273,081 )                                                                                | (10,531,527 )                           |
| <b>Capital Share Transactions</b>                                                         |                                                                                                 |                                         |                                                                                             |                                         |
| Reinvestment of common dividends and distributions                                        | 131,493                                                                                         | 373,793                                 | 112,358                                                                                     | 88,230                                  |
| <b>Net Assets Applicable to Common Shareholders</b>                                       |                                                                                                 |                                         |                                                                                             |                                         |
| Total increase (decrease) in net assets applicable to<br>Common Shareholders              | 13,188,691                                                                                      | (3,800,263 )                            | 15,859,786                                                                                  | (4,592,663 )                            |
| Beginning of period                                                                       | 128,480,962                                                                                     | 132,281,225                             | 171,937,757                                                                                 | 176,530,420                             |
| End of period                                                                             | \$141,669,653                                                                                   | \$128,480,962                           | \$187,797,543                                                                               | \$171,937,757                           |
| Undistributed net investment income                                                       | \$2,700,069                                                                                     | \$3,176,174                             | \$2,264,158                                                                                 | \$2,578,207                             |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 37

## Statements of Cash Flows

|                                                                                                                                              | 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<br>Jersey<br>Quality<br>Fund<br>(MJN) |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Six Months Ended January 31, 2012 (Unaudited)</b>                                                                                         |                                                                           |                                                                           |                                                                  |                                                                      |                                                                     |
| <b>Cash Provided by (Used for) Operating Activities</b>                                                                                      |                                                                           |                                                                           |                                                                  |                                                                      |                                                                     |
| Net increase in net assets resulting from operations,<br>excluding dividends to AMPS Shareholders                                            | \$84,519,818                                                              | \$42,084,646                                                              | \$18,384,216                                                     | \$31,956,065                                                         | \$17,140,000                                                        |
| Adjustments to reconcile net increase in net assets<br>resulting from operations to net cash provided by<br>(used for) operating activities: |                                                                           |                                                                           |                                                                  |                                                                      |                                                                     |
| (Increase) decrease in interest receivable                                                                                                   | (592,250 )                                                                | (213,507 )                                                                | (223,686 )                                                       | 3,723                                                                | (138,000 )                                                          |
| Increase in other assets                                                                                                                     | (17,850 )                                                                 |                                                                           |                                                                  | (50,648 )                                                            | (2,340,000 )                                                        |
| Decrease in prepaid expenses                                                                                                                 | 16,371                                                                    | 10,777                                                                    | 6,568                                                            | 22,301                                                               | 842                                                                 |
| Decrease in income receivable affiliated                                                                                                     | 352                                                                       |                                                                           |                                                                  |                                                                      |                                                                     |
| (Increase) decrease in cash pledged as collateral<br>for financial futures contracts                                                         | (144,000 )                                                                | 98,000                                                                    | 43,000                                                           | 82,000                                                               | 33,040,000                                                          |
| Increase in investment advisory fees payable                                                                                                 | 34,901                                                                    | 12,805                                                                    | 4,460                                                            | 220                                                                  | 3,156,000                                                           |
| (Increase) decrease in interest expense<br>and fees payable                                                                                  | (35,617 )                                                                 | (3,060 )                                                                  | 45,827                                                           | 21,993                                                               | 13,620,000                                                          |
| Increase (decrease) in other accrued expenses payable                                                                                        | (42,095 )                                                                 | 28,868                                                                    | (43,310 )                                                        | (45,795 )                                                            | (42,900,000 )                                                       |
| Increase (decrease) in margin variation payable                                                                                              | 16,406                                                                    | (124,250 )                                                                | (26,219 )                                                        | (106,344 )                                                           | (52,500,000 )                                                       |
| Increase (decrease) in Officer s and Trustees<br>fees payable                                                                                | (96,798 )                                                                 | (2,223 )                                                                  | 173                                                              | (1,525 )                                                             | (841,000 )                                                          |
| Net realized and unrealized gain on investments                                                                                              | (64,602,800 )                                                             | (33,871,863 )                                                             | (14,734,596 )                                                    | (24,322,153 )                                                        | (13,600,000 )                                                       |
| Amortization of premium and accretion of discount<br>on investments                                                                          | 1,728,610                                                                 | (25,931 )                                                                 | 218,357                                                          | 213,000                                                              | (224,000 )                                                          |
| Amortization of deferred offering costs                                                                                                      |                                                                           | 75,790                                                                    | 1,989                                                            | 154,295                                                              | 87,970,000                                                          |
| Proceeds from sales of long-term investments                                                                                                 | 240,282,635                                                               | 51,427,843                                                                | 32,999,553                                                       | 59,105,759                                                           | 25,990,000                                                          |
| Purchases of long-term investments                                                                                                           | (252,560,781 )                                                            | (64,735,344 )                                                             | (42,482,729 )                                                    | (61,053,447 )                                                        | (33,700,000 )                                                       |
| Net proceeds from sales (purchases) of<br>short-term securities                                                                              | (6,966,848 )                                                              | (746,391 )                                                                | 2,107,215                                                        | 324,815                                                              | 1,792,000                                                           |
| Cash provided by (used for) operating activities                                                                                             | 1,540,054                                                                 | (5,983,840 )                                                              | (3,785,182 )                                                     | 6,304,259                                                            | (2,840,000 )                                                        |
| <b>Cash Provided by (Used for) Financing Activities</b>                                                                                      |                                                                           |                                                                           |                                                                  |                                                                      |                                                                     |
| Cash receipts from TOB trust certificates                                                                                                    | 27,929,091                                                                | 15,296,310                                                                | 7,603,706                                                        | 2,205,000                                                            | 7,018,000                                                           |
| Cash payments for TOB trust certificates                                                                                                     | (7,400,000 )                                                              |                                                                           | (60,000 )                                                        |                                                                      |                                                                     |
| Cash payments on redemption of AMPS                                                                                                          |                                                                           |                                                                           | (56,525,000)                                                     |                                                                      |                                                                     |
| Cash receipts from issuance of VMTP Shares                                                                                                   |                                                                           |                                                                           | 56,500,000                                                       |                                                                      |                                                                     |
| Cash payments for offering costs                                                                                                             |                                                                           |                                                                           | (46,392 )                                                        | (69,390 )                                                            | (220,000 )                                                          |
| Cash dividends paid to Common Shareholders                                                                                                   | (18,761,377 )                                                             | (9,312,969 )                                                              | (3,601,815 )                                                     | (8,482,182 )                                                         | (3,970,000 )                                                        |
| Cash dividends paid to AMPS Shareholders                                                                                                     | (272,340 )                                                                |                                                                           | (103,498 )                                                       |                                                                      |                                                                     |
| Increase in bank overdraft                                                                                                                   |                                                                           |                                                                           | 18,181                                                           | 42,313                                                               | 18,930,000                                                          |
| Cash provided by (used for) financing activities                                                                                             | 1,495,374                                                                 | 5,983,341                                                                 | 3,785,182                                                        | (6,304,259 )                                                         | 2,845,000                                                           |

**Cash**

|                                 |             |          |   |
|---------------------------------|-------------|----------|---|
| Net increase (decrease) in cash | 3,035,428   | (499     | ) |
| Cash at beginning of period     |             | 38,262   |   |
| Cash at end of period           | \$3,035,428 | \$37,763 |   |

**Cash Flow Information**

|                                                   |           |           |           |           |         |
|---------------------------------------------------|-----------|-----------|-----------|-----------|---------|
| Cash paid during the period for interest and fees | \$654,202 | \$474,155 | \$102,268 | \$359,790 | \$106,6 |
|---------------------------------------------------|-----------|-----------|-----------|-----------|---------|

**Noncash Financing Activities**

|                                                                                   |  |           |          |           |         |
|-----------------------------------------------------------------------------------|--|-----------|----------|-----------|---------|
| Capital shares issued in reinvestment of dividends paid to<br>Common Shareholders |  | \$162,674 | \$51,841 | \$173,683 | \$131,4 |
|-----------------------------------------------------------------------------------|--|-----------|----------|-----------|---------|

A Statement of Cash Flows is presented when a Trust had a significant amount of borrowing during the period, based on the average borrowings outstanding in relation to total average assets.

See Notes to Financial Statements.

38SEMI-ANNUAL REPORT JANUARY 31, 2012

## Financial Highlights

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

|                                                                                               | Six Months<br>Ended<br>January 31,<br>2012<br>(Unaudited) |            |            | Year Ended July 31,<br>2010 | Period<br>July 1, 2009<br>to July 31,<br>2009 | Year Ended June 30,<br>2009 | 2008       |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------|------------|-----------------------------|-----------------------------------------------|-----------------------------|------------|
| <b>Per Share Operating Performance</b>                                                        |                                                           |            |            |                             |                                               |                             |            |
| Net asset value, beginning of period                                                          | \$ 14.27                                                  | \$ 14.55   | \$ 13.21   | \$ 13.05                    | \$ 13.84                                      | \$ 14.40                    | \$ 14.40   |
| Net investment income <sup>1</sup>                                                            | 0.49                                                      | 0.97       | 0.92       | 0.08                        | 0.90                                          | 0.90                        | 0.90       |
| Net realized and unrealized gain (loss)                                                       | 1.59                                                      | (0.33)     | 1.24       | 0.14                        | (0.89)                                        | (0.60)                      | (0.60)     |
| Dividends to AMPS Shareholders from<br>net investment income                                  | (0.01)                                                    | (0.02)     | (0.03)     | (0.00) <sup>2</sup>         | (0.15)                                        | (0.32)                      | (0.32)     |
| Net increase (decrease) from investment operations                                            | 2.07                                                      | 0.62       | 2.13       | 0.22                        | (0.14)                                        | 0.04                        | 0.04       |
| Dividends to Common Shareholders from<br>net investment income                                | (0.46)                                                    | (0.90)     | (0.79)     | (0.06)                      | (0.65)                                        | (0.68)                      | (0.68)     |
| Net asset value, end of period                                                                | \$ 15.88                                                  | \$ 14.27   | \$ 14.55   | \$ 13.21                    | \$ 13.05                                      | \$ 13.84                    | \$ 13.84   |
| Market price, end of period                                                                   | \$ 15.55                                                  | \$ 13.15   | \$ 14.04   | \$ 12.18                    | \$ 11.07                                      | \$ 12.24                    | \$ 12.24   |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                  |                                                           |            |            |                             |                                               |                             |            |
| Based on net asset value                                                                      | 14.84% <sup>4</sup>                                       | 4.88%      | 16.96%     | 1.75% <sup>4</sup>          | 0.21%                                         | 0.64%                       | 0.64%      |
| Based on market price                                                                         | 22.03% <sup>4</sup>                                       | 0.16%      | 22.40%     | 10.59% <sup>4</sup>         | (3.88)%                                       | (7.41)%                     | (7.41)%    |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                         |                                                           |            |            |                             |                                               |                             |            |
| Total expenses <sup>5</sup>                                                                   | 1.32% <sup>6</sup>                                        | 1.38%      | 1.23%      | 1.34% <sup>6,7</sup>        | 1.59%                                         | 1.58%                       | 1.58%      |
| Total expenses after fees waived <sup>5</sup>                                                 | 1.21% <sup>6</sup>                                        | 1.25%      | 1.12%      | 1.19% <sup>6,7</sup>        | 1.40%                                         | 1.50%                       | 1.50%      |
| Total expenses after fees waived and excluding<br>interest<br>expense and fees <sup>5,8</sup> | 1.01% <sup>6</sup>                                        | 1.02%      | 0.98%      | 1.06% <sup>6,7</sup>        | 1.02%                                         | 1.14%                       | 1.14%      |
| Net investment income <sup>5</sup>                                                            | 6.53% <sup>6</sup>                                        | 6.93%      | 6.52%      | 6.59% <sup>6,7</sup>        | 7.08%                                         | 6.72%                       | 6.72%      |
| Dividends to AMPS Shareholders                                                                | 0.09% <sup>6</sup>                                        | 0.16%      | 0.18%      | 0.23% <sup>6</sup>          | 1.15%                                         | 2.22%                       | 2.22%      |
| Net investment income to Common Shareholders                                                  | 6.44% <sup>6</sup>                                        | 6.77%      | 6.34%      | 6.36% <sup>6,7</sup>        | 5.93%                                         | 4.50%                       | 4.50%      |
| <b>Supplemental Data</b>                                                                      |                                                           |            |            |                             |                                               |                             |            |
| Net assets applicable to Common Shareholders,<br>end of period (000)                          | \$ 648,886                                                | \$ 583,400 | \$ 594,734 | \$ 540,144                  | \$ 533,256                                    | \$ 565,757                  | \$ 565,757 |
| AMPS outstanding at \$25,000 liquidation<br>preference, end of period (000)                   | \$ 254,000                                                | \$ 254,000 | \$ 254,000 | \$ 254,000                  | \$ 287,375                                    | \$ 287,375                  | \$ 287,375 |
| Portfolio turnover                                                                            | 24%                                                       | 24%        | 25%        | 1%                          | 19%                                           | 43%                         | 43%        |
| Asset coverage per AMPS at \$25,000<br>liquidation preference, end of period                  | \$ 88,868                                                 | \$ 82,421  | \$ 83,538  | \$ 78,166                   | \$ 71,392                                     | \$ 74,225                   | \$ 74,225  |

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

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

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

<sup>5</sup> Do not reflect the effect of dividends to AMPS Shareholders.

- <sup>6</sup> Annualized.
- <sup>7</sup> Certain non-recurring expenses have been included in the ratio but not annualized. If these expenses were annualized, the ratios of total expenses, total expenses after fees waived, total expenses after fees waived excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 1.43%, 1.28%, 1.15%, 6.50% and 6.27%, respectively.
- <sup>8</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 39

## Financial Highlights

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

|                                                                                                                         | Six Months Ended January 31, 2012 |                | Year Ended July 31, 2011 |   |                      |   | 2010      | 2009 |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------|--------------------------|---|----------------------|---|-----------|------|
| <b>Per Share Operating Performance</b>                                                                                  |                                   |                |                          |   |                      |   |           |      |
| Net asset value, beginning of period                                                                                    | \$14.73                           |                | \$15.19                  |   | \$14.40              |   | \$14.35   |      |
| Net investment income <sup>1</sup>                                                                                      | 0.40                              |                | 0.93                     |   | 1.00                 |   | 0.98      |      |
| Net realized and unrealized gain (loss)                                                                                 | 1.57                              |                | (0.47 )                  |   | 0.67                 |   | (0.11)    |      |
| Dividends and distributions to AMPS Shareholders from:                                                                  |                                   |                |                          |   |                      |   |           |      |
| Net investment income                                                                                                   |                                   |                | (0.03 )                  |   | (0.03 )              |   | (0.16)    |      |
| Net realized gain                                                                                                       |                                   |                |                          |   | (0.00 ) <sup>2</sup> |   |           |      |
| Net increase from investment operations                                                                                 | 1.97                              |                | 0.43                     |   | 1.64                 |   | 0.71      |      |
| Dividends and distributions to Common Shareholders from:                                                                |                                   |                |                          |   |                      |   |           |      |
| Net investment income                                                                                                   | (0.44 )                           |                | (0.89 )                  |   | (0.84 )              |   | (0.66)    |      |
| Net realized gain                                                                                                       |                                   |                |                          |   | (0.01 )              |   |           |      |
| Total dividends and distributions to Common Shareholders                                                                | (0.44 )                           |                | (0.89 )                  |   | (0.85 )              |   | (0.66)    |      |
| Net asset value, end of period                                                                                          | \$16.26                           |                | \$14.73                  |   | \$15.19              |   | \$14.40   |      |
| Market price, end of period                                                                                             | \$15.77                           |                | \$13.74                  |   | \$15.05              |   | \$13.38   |      |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                            |                                   |                |                          |   |                      |   |           |      |
| Based on net asset value                                                                                                | 13.71                             | % <sup>4</sup> | 3.28                     | % | 11.95                | % | 6.13      |      |
| Based on market price                                                                                                   | 18.23                             | % <sup>4</sup> | (2.77 )                  | % | 19.37                | % | 9.45      |      |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                   |                                   |                |                          |   |                      |   |           |      |
| Total expenses <sup>5</sup>                                                                                             | 1.78                              | % <sup>6</sup> | 1.21                     | % | 1.13                 | % | 1.30      |      |
| Total expenses after fees waived <sup>5</sup>                                                                           | 1.75                              | % <sup>6</sup> | 1.17                     | % | 1.08                 | % | 1.21      |      |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>5,7</sup> | 1.41                              | % <sup>6</sup> | 1.11                     | % | 1.05                 | % | 1.10      |      |
| Net investment income <sup>5</sup>                                                                                      | 5.22                              | % <sup>6</sup> | 6.36                     | % | 6.71                 | % | 7.04      |      |
| Dividends to AMPS Shareholders                                                                                          |                                   |                | 0.21                     | % | 0.22                 | % | 1.13      |      |
| Net investment income to Common Shareholders                                                                            | 5.22                              | % <sup>6</sup> | 6.15                     | % | 6.49                 | % | 5.91      |      |
| <b>Supplemental Data</b>                                                                                                |                                   |                |                          |   |                      |   |           |      |
| Net assets applicable to Common Shareholders, end of period (000)                                                       | \$345,892                         |                | \$313,084                |   | \$322,681            |   | \$305,850 |      |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                |                                   |                |                          |   | \$172,700            |   | \$172,700 |      |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)                                             | \$172,700                         |                | \$172,700                |   |                      |   |           |      |
| Portfolio turnover                                                                                                      | 10                                | %              | 12                       | % | 13                   | % | 9         |      |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                               |                                   |                |                          |   | \$71,713             |   | \$69,278  |      |
| Asset coverage per VRDP Share at \$100,000 liquidation value, end of period                                             | \$300,285                         |                | \$281,288                |   |                      |   |           |      |

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

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

- 4 Aggregate total investment return.
  - 5 Do not reflect the effect of dividends to AMPS Shareholders.
  - 6 Annualized.
  - 7 Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
  - 8 Amounts have been recalculated to conform with current year presentation.
- See Notes to Financial Statements.

40SEMI-ANNUAL REPORT JANUARY 31, 2012

## Financial Highlights

## BlackRock MuniYield Investment Quality Fund (MFT)

|                                                                                         | Six Months<br>Ended<br>January 31,<br>2012<br>(Unaudited) | Year Ended July 31,    |           | 2009      |           | Period<br>November<br>2007<br>to July 31,<br>2008 |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------|-----------|-----------|-----------|---------------------------------------------------|
|                                                                                         | 2011                                                      | 2010                   |           |           |           |                                                   |
| <b>Per Share Operating Performance</b>                                                  |                                                           |                        |           |           |           |                                                   |
| Net asset value, beginning of period                                                    | \$ 13.40                                                  | \$13.87                | \$12.83   | \$13.42   | \$14.38   |                                                   |
| Net investment income <sup>1</sup>                                                      | 0.45                                                      | 0.91                   | 0.92      | 0.94      | 0.71      |                                                   |
| Net realized and unrealized gain (loss)                                                 | 1.74                                                      | (0.49 )                | 0.98      | (0.70 )   | (0.97 )   |                                                   |
| Dividends to AMPS Shareholders from net investment income                               | (0.03 )                                                   | (0.04 )                | (0.04 )   | (0.15 )   | (0.22 )   |                                                   |
| Net increase (decrease) from investment operations                                      | 2.16                                                      | 0.38                   | 1.86      | 0.09      | (0.48 )   |                                                   |
| Dividends to Common Shareholders from net investment income                             | (0.43 )                                                   | (0.85 )                | (0.82 )   | (0.68 )   | (0.48 )   |                                                   |
| Net asset value, end of period                                                          | \$ 15.13                                                  | \$13.40                | \$13.87   | \$12.83   | \$13.42   |                                                   |
| Market price, end of period                                                             | \$ 14.89                                                  | \$12.39                | \$14.28   | \$11.80   | \$11.75   |                                                   |
| <b>Total Investment Return Applicable to Common Shareholders<sup>2</sup></b>            |                                                           |                        |           |           |           |                                                   |
| Based on net asset value                                                                | 16.39                                                     | % <sup>3</sup> 3.20    | % 14.99   | % 1.94    | % (2.97 ) | % <sup>3</sup>                                    |
| Based on market price                                                                   | 23.88                                                     | % <sup>3</sup> (7.32 ) | % 28.72   | % 7.08    | % (4.11 ) | % <sup>3</sup>                                    |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                   |                                                           |                        |           |           |           |                                                   |
| Total expenses <sup>4</sup>                                                             | 1.33                                                      | % <sup>5</sup> 1.23    | % 1.19    | % 1.40    | % 1.51    | % <sup>5</sup>                                    |
| Total expenses after fees waived <sup>4</sup>                                           | 1.33                                                      | % <sup>5</sup> 1.23    | % 1.19    | % 1.37    | % 1.49    | % <sup>5</sup>                                    |
| Total expenses after fees waived and excluding interest expense and fees <sup>4,6</sup> | 1.08                                                      | % <sup>5</sup> 1.11    | % 1.09    | % 1.19    | % 1.18    | % <sup>5</sup>                                    |
| Net investment income <sup>4</sup>                                                      | 6.32                                                      | % <sup>5</sup> 6.91    | % 6.80    | % 7.54    | % 6.60    | % <sup>5</sup>                                    |
| Dividends to AMPS Shareholders                                                          | 0.17                                                      | % <sup>5</sup> 0.28    | % 0.29    | % 1.23    | % 2.07    | % <sup>5</sup>                                    |
| Net investment income to Common Shareholders                                            | 6.15                                                      | % <sup>5</sup> 6.63    | % 6.51    | % 6.31    | % 4.53    | % <sup>5</sup>                                    |
| <b>Supplemental Data</b>                                                                |                                                           |                        |           |           |           |                                                   |
| Net assets applicable to Common Shareholders, end of period (000)                       | \$ 128,152                                                | \$113,423              | \$117,341 | \$108,434 | \$113,449 |                                                   |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                |                                                           | \$56,525               | \$56,525  | \$56,525  | \$62,250  |                                                   |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)             | \$ 56,500                                                 |                        |           |           |           |                                                   |
| Portfolio turnover                                                                      | 18                                                        | % 29                   | % 38      | % 43      | % 21      | %                                                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period               |                                                           | \$75,165               | \$76,900  | \$72,961  | \$70,569  |                                                   |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period            | \$ 326,818                                                |                        |           |           |           |                                                   |

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

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.



- <sup>4</sup> Do not reflect the effect of dividends to AMPS Shareholders.
  - <sup>5</sup> Annualized.
  - <sup>6</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.
- See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 41

## Financial Highlights

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

|                                                                | Six Months<br>Ended<br>January 31, Year Ended July 31,<br>2012<br>(Unaudited) |          |  |          | 2011     | 2010     | 2009 | Period<br>November<br>2007 to<br>July 31,<br>2008 |
|----------------------------------------------------------------|-------------------------------------------------------------------------------|----------|--|----------|----------|----------|------|---------------------------------------------------|
| <b>Per Share Operating Performance</b>                         |                                                                               |          |  |          |          |          |      |                                                   |
| Net asset value, beginning of period                           | \$ 14.63                                                                      | \$ 14.92 |  | \$ 13.93 | \$ 14.16 | \$ 15.03 |      |                                                   |
| Net investment income <sup>1</sup>                             | 0.43                                                                          | 0.93     |  | 0.98     | 1.00     | 0.70     |      |                                                   |
| Net realized and unrealized gain (loss)                        | 1.32                                                                          | (0.26 )  |  | 0.94     | (0.40 )  | (0.82 )  |      |                                                   |
| Dividends to AMPS Shareholders from<br>net investment income   |                                                                               | (0.04 )  |  | (0.05 )  | (0.16 )  | (0.23 )  |      |                                                   |
| Net increase (decrease) from investment operations             | 1.75                                                                          | 0.63     |  | 1.87     | 0.44     | (0.35 )  |      |                                                   |
| Dividends to Common Shareholders from<br>net investment income | (0.47 )                                                                       | (0.92 )  |  | (0.88 )  | (0.67 )  | (0.52 )  |      |                                                   |
| Net asset value, end of period                                 | \$ 15.91                                                                      | \$ 14.63 |  | \$ 14.92 | \$ 13.93 | \$ 14.16 |      |                                                   |
| Market price, end of period                                    | \$ 15.63                                                                      | \$ 13.39 |  | \$ 14.55 | \$ 12.25 | \$ 12.30 |      |                                                   |

**Total Investment Return Applicable to Common Shareholders<sup>2</sup>**

|                          |                      |          |  |  |         |        |          |
|--------------------------|----------------------|----------|--|--|---------|--------|----------|
| Based on net asset value | 12.28 % <sup>3</sup> | 4.78 %   |  |  | 14.31 % | 4.66 % | (2.02 )% |
| Based on market price    | 20.52 % <sup>3</sup> | (1.67 )% |  |  | 26.76 % | 5.95 % | (4.54 )% |

**Ratios to Average Net Assets Applicable to Common Shareholders**

|                                                                                                                            |                     |        |  |  |        |        |                     |
|----------------------------------------------------------------------------------------------------------------------------|---------------------|--------|--|--|--------|--------|---------------------|
| Total expenses <sup>4</sup>                                                                                                | 1.70 % <sup>5</sup> | 1.37 % |  |  | 1.07 % | 1.27 % | 1.42 % <sup>5</sup> |
| Total expenses after fees waived <sup>4</sup>                                                                              | 1.70 % <sup>5</sup> | 1.36 % |  |  | 1.07 % | 1.25 % | 1.40 % <sup>5</sup> |
| Total expenses after fees waived and excluding interest<br>expense, fees and amortization of offering costs <sup>4,6</sup> | 1.38 % <sup>5</sup> | 1.23 % |  |  | 1.03 % | 1.09 % | 1.13 % <sup>5</sup> |
| Net investment income <sup>4</sup>                                                                                         | 5.70 % <sup>5</sup> | 6.48 % |  |  | 6.72 % | 7.37 % | 6.19 % <sup>5</sup> |
| Dividends to AMPS Shareholders                                                                                             |                     | 0.25 % |  |  | 0.31 % | 1.19 % | 2.05 % <sup>5</sup> |
| Net investment income to Common Shareholders                                                                               | 5.70 % <sup>5</sup> | 6.23 % |  |  | 6.41 % | 6.18 % | 4.14 % <sup>5</sup> |

**Supplemental Data**

|                                                                                |           |           |  |  |           |           |           |
|--------------------------------------------------------------------------------|-----------|-----------|--|--|-----------|-----------|-----------|
| Net assets applicable to Common Shareholders,<br>end of period (000)           | \$289,824 | \$266,326 |  |  | \$271,609 | \$253,630 | \$257,806 |
| AMPS outstanding at \$25,000 liquidation preference,<br>end of period (000)    |           |           |  |  | \$144,650 | \$144,650 | \$144,650 |
| VRDP Shares outstanding at \$100,000 liquidation value,<br>end of period (000) | \$144,600 | \$144,600 |  |  |           |           |           |
| Portfolio turnover                                                             | 14 %      | 16 %      |  |  | 15 %      | 9 %       | 21 %      |
| Asset coverage per AMPS at \$25,000 liquidation preference,<br>end of period   |           |           |  |  | \$71,945  | \$68,838  | \$69,563  |
| Asset coverage per VRDP share at \$100,000 liquidation value,<br>end of period | \$300,432 | \$284,181 |  |  |           |           |           |

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

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

- <sup>3</sup> Aggregate total investment return.
  - <sup>4</sup> Do not reflect the effect of dividends to AMPS Shareholders.
  - <sup>5</sup> Annualized.
  - <sup>6</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
- See Notes to Financial Statements.

42SEMI-ANNUAL REPORT JANUARY 31, 2012

## Financial Highlights

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

|                                                                                                                         | Six Months<br>Ended<br>January 31 ,<br>2012<br>(Unaudited) | Year Ended July 31,<br>2011 | 2010       | 2009       | Period<br>November<br>2007 to<br>July 31,<br>2008 |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------|------------|------------|---------------------------------------------------|
| <b>Per Share Operating Performance</b>                                                                                  |                                                            |                             |            |            |                                                   |
| Net asset value, beginning of period                                                                                    | \$ 14.53                                                   | \$ 15.00                    | \$ 14.07   | \$ 14.23   | \$ 15.02                                          |
| Net investment income <sup>1</sup>                                                                                      | 0.41                                                       | 0.91                        | 0.98       | 0.96       | 0.69                                              |
| Net realized and unrealized gain (loss)                                                                                 | 1.53                                                       | (0.48)                      | 0.94       | (0.27)     | (0.76)                                            |
| Dividends and distributions to AMPS Shareholders from:                                                                  |                                                            |                             |            |            |                                                   |
| Net investment income                                                                                                   |                                                            | (0.04)                      | (0.04)     | (0.15)     | (0.21)                                            |
| Net realized gain                                                                                                       |                                                            |                             | (0.01)     | (0.01)     | (0.01)                                            |
| Net increase (decrease) from investment operations                                                                      | 1.94                                                       | 0.39                        | 1.87       | 0.53       | (0.29)                                            |
| Dividends and distributions to Common Shareholders from:                                                                |                                                            |                             |            |            |                                                   |
| Net investment income                                                                                                   | (0.46)                                                     | (0.86)                      | (0.84)     | (0.67)     | (0.49)                                            |
| Net realized gain                                                                                                       |                                                            |                             | (0.10)     | (0.02)     | (0.01)                                            |
| Total dividends and distributions to Common Shareholders                                                                | (0.46)                                                     | (0.86)                      | (0.94)     | (0.69)     | (0.50)                                            |
| Net asset value, end of period                                                                                          | \$ 16.01                                                   | \$ 14.53                    | \$ 15.00   | \$ 14.07   | \$ 14.23                                          |
| Market price, end of period                                                                                             | \$ 15.99                                                   | \$ 13.16                    | \$ 14.92   | \$ 12.82   | \$ 12.81                                          |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                            |                                                            |                             |            |            |                                                   |
| Based on net asset value                                                                                                | 13.70% <sup>4</sup>                                        | 3.10%                       | 13.90%     | 4.94%      | (1.67)% <sup>4</sup>                              |
| Based on market price                                                                                                   | 25.38% <sup>4</sup>                                        | (6.12)%                     | 24.34%     | 6.22%      | (2.95)% <sup>4</sup>                              |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                   |                                                            |                             |            |            |                                                   |
| Total expenses <sup>5</sup>                                                                                             | 1.67% <sup>6</sup>                                         | 1.13%                       | 1.06%      | 1.22%      | 1.24% <sup>6</sup>                                |
| Total expenses after fees waived <sup>5</sup>                                                                           | 1.66% <sup>6</sup>                                         | 1.12%                       | 1.05%      | 1.21%      | 1.24% <sup>6</sup>                                |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs <sup>5,7</sup> | 1.35% <sup>6</sup>                                         | 1.08%                       | 1.02%      | 1.11%      | 1.18% <sup>6</sup>                                |
| Net investment income <sup>5</sup>                                                                                      | 5.39% <sup>6</sup>                                         | 6.32%                       | 6.64%      | 7.10%      | 6.18% <sup>6</sup>                                |
| Dividends to AMPS Shareholders                                                                                          |                                                            | 0.31%                       | 0.29%      | 1.12%      | 1.87% <sup>6</sup>                                |
| Net investment income to Common Shareholders                                                                            | 5.39% <sup>6</sup>                                         | 6.01%                       | 6.35%      | 5.98%      | 4.31% <sup>6</sup>                                |
| <b>Supplemental Data</b>                                                                                                |                                                            |                             |            |            |                                                   |
| Net assets applicable to Common Shareholders, end of period (000)                                                       | \$ 141,670                                                 | \$ 128,481                  | \$ 132,281 | \$ 123,806 | \$ 125,233                                        |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                |                                                            |                             | \$ 64,475  | \$ 64,475  | \$ 65,700                                         |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)                                             | \$ 64,400                                                  | \$ 64,400                   |            |            |                                                   |
| Portfolio turnover                                                                                                      | 13%                                                        | 12%                         | 12%        | 8%         | 13%                                               |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                               |                                                            |                             | \$ 76,294  | \$ 73,008  | \$ 72,666                                         |
| Asset coverage per VRDP share at \$100,000 liquidation value, end of period                                             | \$ 319,984                                                 | \$ 299,505                  |            |            |                                                   |

- 1 Based on average Common Shares outstanding.
  - 2 Amount is less than \$(0.01) per share.
  - 3 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
  - 4 Aggregate total investment return.
  - 5 Do not reflect the effect of dividends to AMPS Shareholders.
  - 6 Annualized.
  - 7 Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
- See Notes to Financial Statements.

SEMI-ANNUAL REPORT JANUARY 31, 2012 43

## Financial Highlights

## BlackRock MuniYield Pennsylvania Quality Fund (MPA)

|                                                                                                                            | Six Months<br>Ended<br>January 31,<br>2012<br>(Unaudited) | Year Ended July 31,<br>2011 | 2010       | 2009       | Period<br>November 1<br>2007 to<br>July 31,<br>2008 |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------|------------|------------|-----------------------------------------------------|
| <b>Per Share Operating Performance</b>                                                                                     |                                                           |                             |            |            |                                                     |
| Net asset value, beginning of period                                                                                       | \$ 14.97                                                  | \$ 15.38                    | \$ 14.28   | \$ 14.30   | \$ 15.49                                            |
| Net investment income <sup>1</sup>                                                                                         | 0.43                                                      | 0.92                        | 0.92       | 0.93       | 0.71                                                |
| Net realized and unrealized gain (loss)                                                                                    | 1.40                                                      | (0.38)                      | 1.02       | (0.15)     | (1.18)                                              |
| Dividends to AMPS Shareholders from<br>net investment income                                                               |                                                           | (0.03)                      | (0.03)     | (0.14)     | (0.22)                                              |
| Net increase (decrease) from investment operations                                                                         | 1.83                                                      | 0.51                        | 1.91       | 0.64       | (0.69)                                              |
| Dividends to Common Shareholders from<br>net investment income                                                             | (0.46)                                                    | (0.92)                      | (0.81)     | (0.66)     | (0.50)                                              |
| Capital charges with respect to the issuance<br>of Preferred Shares                                                        |                                                           |                             |            |            |                                                     |
| Net asset value, end of period                                                                                             | \$ 16.34                                                  | \$ 14.97                    | \$ 15.38   | \$ 14.28   | \$ 14.30                                            |
| Market price, end of period                                                                                                | \$ 16.25                                                  | \$ 13.94                    | \$ 15.26   | \$ 12.87   | \$ 12.43                                            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                               |                                                           |                             |            |            |                                                     |
| Based on net asset value                                                                                                   | 12.46% <sup>4</sup>                                       | 3.84%                       | 14.18%     | 5.88%      | (4.18)% <sup>4</sup>                                |
| Based on market price                                                                                                      | 20.10% <sup>4</sup>                                       | (2.55)%                     | 25.70%     | 9.78%      | (5.62)% <sup>4</sup>                                |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                      |                                                           |                             |            |            |                                                     |
| Total expenses <sup>5</sup>                                                                                                | 1.62% <sup>6</sup>                                        | 1.37%                       | 1.15%      | 1.27%      | 1.50% <sup>6</sup>                                  |
| Total expenses after fees waived <sup>5</sup>                                                                              | 1.62% <sup>6</sup>                                        | 1.36%                       | 1.15%      | 1.25%      | 1.48% <sup>6</sup>                                  |
| Total expenses after fees waived and excluding interest<br>expense, fees and amortization of offering costs <sup>5,7</sup> | 1.27% <sup>6</sup>                                        | 1.14%                       | 1.00%      | 1.06%      | 1.13% <sup>6</sup>                                  |
| Net investment income <sup>5</sup>                                                                                         | 5.55% <sup>6</sup>                                        | 6.24%                       | 6.17%      | 6.82%      | 6.18% <sup>6</sup>                                  |
| Dividends to AMPS Shareholders <sup>5</sup>                                                                                |                                                           | 0.18%                       | 0.22%      | 1.00%      | 1.93% <sup>6</sup>                                  |
| Net investment income to Common Shareholders                                                                               | 5.55% <sup>6</sup>                                        | 6.06%                       | 5.95%      | 5.82%      | 4.25% <sup>6</sup>                                  |
| <b>Supplemental Data</b>                                                                                                   |                                                           |                             |            |            |                                                     |
| Net assets applicable to Common Shareholders,<br>end of period (000)                                                       | \$ 187,798                                                | \$ 171,938                  | \$ 176,530 | \$ 163,918 | \$ 164,119                                          |
| AMPS outstanding at \$25,000 liquidation preference,<br>end of period (000)                                                |                                                           |                             | \$ 66,350  | \$ 66,350  | \$ 77,400                                           |
| VRDP Shares outstanding at \$100,000 liquidation value,<br>end of period (000)                                             | \$ 66,300                                                 | \$ 66,300                   |            |            |                                                     |
| Portfolio turnover                                                                                                         | 14%                                                       | 11%                         | 6%         | 18%        | 24%                                                 |
| Asset coverage per AMPS at \$25,000 liquidation preference,<br>end of period                                               |                                                           |                             | \$ 91,517  | \$ 86,765  | \$ 78,018                                           |
| Asset coverage per VRDP share at \$100,000 liquidation<br>value, end of period                                             | \$ 383,255                                                | \$ 359,333                  |            |            |                                                     |

<sup>1</sup> Based on average Common Shares outstanding.<sup>2</sup> Amount is less than \$(0.01) per share.

- <sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>6</sup> Annualized.
- <sup>7</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
- See Notes to Financial Statements.

44 SEMI-ANNUAL REPORT JANUARY 31, 2012

## Notes to Financial Statements

### 1. Organization and Significant Accounting Policies:

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 ) and BlackRock MuniYield Pennsylvania Quality Fund ( MPA ) (collectively, the Funds ), are registered under the 1940 Act as non-diversified, closed-end management investment companies. MUC, MUJ, MIY and MJJ are organized as Maryland corporations. MFT and MPA are organized as Massachusetts business trusts. The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Boards of Directors and the Boards 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.

The following is a summary of significant accounting policies followed by the Funds:

**Valuation:** US 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 fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. 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. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

In the event that application of these methods of valuation results in a price for an investment which 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 in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

**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 TOBs:** The Funds leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Fund has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates ( TOB Residuals ), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Fund include the right of a Fund (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to a Fund. The TOB may also be terminated without the consent of a Fund upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During the six months ended January 31, 2012, no TOBs that the Funds participated in were terminated without the consent of the Funds.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Fund in exchange for TOB trust certificates. The Funds typically invests the cash in additional municipal bonds. Each Fund's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing: therefore, the municipal bonds deposited into a TOB 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.

SEMI-ANNUAL REPORT JANUARY 31, 2012 45

## Notes to Financial Statements (continued)

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 are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. The short-term floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At January 31, 2012, the aggregate value of the underlying municipal bonds transferred to TOBs, 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 Bonds<br/>Transferred to TOBs</b> | <b>Liability<br/>for TOB Trust<br/>Certificates</b> | <b>Range of<br/>Interest Rates</b> |       |
|-----|---------------------------------------------------------------|-----------------------------------------------------|------------------------------------|-------|
| MUC | \$410,694,923                                                 | \$199,972,247                                       | 0.05%                              | 0.21% |
| MUJ | \$ 57,806,982                                                 | \$ 28,559,240                                       | 0.08%                              | 0.25% |
| MFT | \$ 50,601,214                                                 | \$ 24,723,436                                       | 0.07%                              | 0.46% |
| MIY | \$ 38,284,741                                                 | \$ 18,395,000                                       | 0.08%                              | 0.28% |
| MJI | \$ 23,987,975                                                 | \$ 11,703,052                                       | 0.08%                              | 0.25% |
| MPA | \$ 76,446,640                                                 | \$ 36,094,905                                       | 0.08%                              | 0.41% |

For the six months ended January 31, 2012, the Funds' average TOB trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

|     | <b>Average TOB<br/>Trust Certificates<br/>Outstanding</b> | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|-----------------------------------------------------------|-----------------------------------------------------|
| MUC | \$188,288,771                                             | 0.65%                                               |
| MUJ | \$ 18,710,204                                             | 0.60%                                               |
| MFT | \$ 18,448,607                                             | 0.74%                                               |
| MIY | \$ 16,546,277                                             | 0.61%                                               |
| MJI | \$ 7,074,727                                              | 0.60%                                               |
| MPA | \$ 35,030,449                                             | 0.75%                                               |

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

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Funds either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts), the Funds will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

**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 dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

**Income Taxes:** It is each 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.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' US federal tax returns remains open for each of the following periods:

| <b>Year Ended</b> | <b>Period</b>    |
|-------------------|------------------|
| MUC July 31, 2011 | July 1, 2009 to  |
| July 31, 2010     | July 31, 2009    |
| June 30, 2009     |                  |
| June 30, 2008     |                  |
| MUJ July 31, 2011 |                  |
| July 31, 2010     |                  |
| July 31, 2009     |                  |
| July 31, 2008     |                  |
| MFT July 31, 2011 | November 1, 2007 |
| July 31, 2010     | to July 31, 2008 |
| July 31, 2009     |                  |
| MIY July 31, 2011 | November 1, 2007 |
| July 31, 2010     | to July 31, 2008 |
| July 31, 2009     |                  |
| MJI July 31, 2011 | November 1, 2007 |
| July 31, 2010     | to July 31, 2008 |
| July 31, 2009     |                  |
| MPA July 31, 2011 | November 1, 2007 |
| July 31, 2010     | to July 31, 2008 |
| July 31, 2009     |                  |

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 does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Recent Accounting Standards:** In May 2011, the Financial Accounting Standards Board (the "FASB") issued amended guidance to improve disclosure about fair value measurements which will require the following disclosures for fair value measurements categorized as Level 3: quantitative information about the unobservable inputs and assumptions

used in the fair value measurement, a description of the valuation policies and procedures and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, the amounts and reasons for all transfers in and out of Level 1 and Level 2 will be required to be disclosed. The amended guidance is effective for financial statements for

46SEMI-ANNUAL REPORT JANUARY 31, 2012

## Notes to Financial Statements (continued)

fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds' financial statement disclosures.

In December 2011, the FASB issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds' financial statement disclosures.

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Fund's Board, 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 approximately 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 deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated in the Statements of Operations.

**Offering Costs:** The Funds incurred costs in connection with its issuance of VRDP Shares and 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 are 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.

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

The Funds have an arrangement with the custodian 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 custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

## 2. Derivative Financial Instruments:

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

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. Counterparty risk related to exchange-traded financial futures contracts is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

**Financial Futures Contracts:** The Funds purchase or sell 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 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 particular contract, 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. 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 margin variation and are recorded by the Funds as unrealized appreciation or depreciation. 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.

#### **Derivative Financial Instruments Categorized by Risk Exposure:**

#### **Fair Values of Derivative Financial Instruments as of January 31, 2012**

| Statements of Assets<br>and Liabilities Location               | Liability Derivatives |             |             |             |             |
|----------------------------------------------------------------|-----------------------|-------------|-------------|-------------|-------------|
|                                                                | MUC                   | MUJ         | MFT         | MIY         | MJI         |
|                                                                | Value                 |             |             |             |             |
| Net unrealized                                                 |                       |             |             |             |             |
| Interest rate contracts appreciation/depreciation <sup>1</sup> | \$ (131,393)          | \$ (70,076) | \$ (75,332) | \$ (61,317) | \$ (26,279) |

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

SEMI-ANNUAL REPORT JANUARY 31, 2012 47

## Notes to Financial Statements (continued)

**The Effect of Derivative Financial Instruments in the Statements of Operations****Six Months Ended January 31, 2012****Net Realized Gain (Loss) From**

|                             | <b>MUC</b> | <b>MUJ</b>   | <b>MFT</b>   | <b>MIY</b>   | <b>MJI</b>   | <b>MPA</b>   |
|-----------------------------|------------|--------------|--------------|--------------|--------------|--------------|
| Interest rate contracts:    |            |              |              |              |              |              |
| Financial futures contracts | \$ 57,264  | \$ (580,515) | \$ (159,513) | \$ (513,621) | \$ (250,201) | \$ (532,893) |

**Net Change in Unrealized Appreciation/Depreciation on**

|                             | <b>MUC</b>   | <b>MUJ</b> | <b>MFT</b> | <b>MIY</b> | <b>MJI</b> | <b>MPA</b> |
|-----------------------------|--------------|------------|------------|------------|------------|------------|
| Interest rate contracts:    |              |            |            |            |            |            |
| Financial futures contracts | \$ (131,393) | \$ 274,887 | \$ 21,991  | \$ 250,115 | \$ 126,193 | \$ 227,086 |

For the six months ended January 31, 2012, the average quarterly balances of outstanding derivative financial instruments were as follows:

|                                               | <b>MUC</b>  | <b>MUJ</b>  | <b>MFT</b>  | <b>MIY</b>  | <b>MJI</b> | <b>MPA</b>  |
|-----------------------------------------------|-------------|-------------|-------------|-------------|------------|-------------|
| Financial futures contracts:                  |             |             |             |             |            |             |
| Average number of contracts purchased         |             |             |             |             |            | 55          |
| Average number of contracts sold              | 38          | 20          | 22          | 18          | 8          |             |
| Average notional value of contracts purchased |             |             |             |             |            | \$7,145,547 |
| Average notional value of contracts sold      | \$4,959,375 | \$2,645,000 | \$2,843,375 | \$2,314,375 | \$991,875  |             |

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ) and Barclays Bank PLC ( Barclays ) are the largest stockholders of BlackRock, Inc. ( BlackRock ). Due to the ownership structure, PNC is an affiliate for 1940 Act purposes, but Barclays is not.

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 necessary 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 | 0.55 % |
| MUJ | 0.55 % |
| MFT | 0.50 % |
| MIY | 0.50 % |
| MJI | 0.50 % |
| MPA | 0.50 % |

Average daily net assets are the average daily value of each Fund s total assets minus the sum of its 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 investment in other affiliated investment companies, if any. These amounts are shown as, or included in, fees waived by advisor in the Statements of Operations.

For the six months ended January 31, 2012, the amounts waived were as follows:

MUC \$6,839  
 MUJ \$12,389  
 MFT \$1,361  
 MIY \$653  
 MJI \$5,327  
 MPA \$1,053

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. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months ended January 31, 2012 the waivers were:

MUC \$317,178  
 MUJ \$46,035

The Manager entered into a sub-advisory agreement with BlackRock Investment Management, LLC (BIM), an affiliate of the Manager. The Manager pays BIM, for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Fund to the Manager.

Certain officers and/or Directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for compensation paid to the Funds' Chief Compliance Officer.

#### 4. Investments:

Purchases and sales of investments excluding short-term securities for the six months ended January 31, 2012 were as follows:

| <b>Purchases</b>  | <b>Sales</b>  |
|-------------------|---------------|
| MUC \$258,109,776 | \$247,686,913 |
| MUJ \$64,735,344  | \$49,760,624  |
| MFT \$43,194,406  | \$34,196,818  |
| MIY \$61,053,447  | \$59,105,759  |
| MJI \$33,798,815  | \$25,359,387  |
| MPA \$43,201,442  | \$38,675,815  |

48 SEMI-ANNUAL REPORT JANUARY 31, 2012



## Notes to Financial Statements (continued)

**5. Income Tax Information:**

As of July 31, 2011, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| <b>Expires July 31,</b> | <b>MUC</b>          | <b>MUJ</b>       | <b>MFT</b>         | <b>MIY</b>         | <b>MJI</b>       | <b>MPA</b>         |
|-------------------------|---------------------|------------------|--------------------|--------------------|------------------|--------------------|
| 2012                    |                     |                  | \$1,910,577        | \$3,826,164        |                  |                    |
| 2016                    | \$2,097,897         |                  | 659,619            | 1,689,814          |                  |                    |
| 2017                    | 8,756,104           |                  | 993,919            | 2,031,132          |                  | \$2,948,179        |
| 2018                    |                     |                  | 6,354,819          |                    |                  | 893,908            |
| 2019                    |                     | \$566,673        |                    |                    | \$341,211        | 50,303             |
| <b>Total</b>            | <b>\$10,854,001</b> | <b>\$566,673</b> | <b>\$9,918,934</b> | <b>\$7,547,110</b> | <b>\$341,211</b> | <b>\$3,892,390</b> |

Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Funds after July 31, 2011 will not be subject to expiration. In addition, any such losses must be utilized prior to the losses incurred in pre-enactment taxable years.

As of January 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               | <b>MUC</b>    | <b>MUJ</b>    | <b>MFT</b>    | <b>MIY</b>    | <b>MJI</b>    | <b>MPA</b>    |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Tax cost                      | \$819,562,154 | \$471,207,007 | \$164,576,429 | \$400,193,303 | \$189,887,722 | \$235,768,632 |
| Gross unrealized appreciation | \$72,597,344  | \$43,707,903  | \$18,813,971  | \$31,755,611  | \$15,847,552  | \$19,059,579  |
| Gross unrealized depreciation |               | (933,686 )    | (64,652 )     | (1,228,241 )  | (919,529 )    | (16,069 )     |
| Net unrealized appreciation   | \$72,597,344  | \$42,774,217  | \$18,749,319  | \$30,527,370  | \$14,928,023  | \$19,043,510  |

**6. Concentration, Market and Credit Risk:**

MUC, MUJ, MIY and MPA invest a substantial amount of their assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

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 counter-party 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 counter-party credit risks with respect to these financial assets is generally approximated by their value recorded in the Funds' Statements of Assets and Liabilities, less any collateral held by the Funds.

As of January 31, 2012, MUC invested a significant portion of its assets in securities in the County/City/Special District/School District and Utilities sectors. MUJ and MJI invested a significant portion of their assets in securities in the State sector. MFT invested a significant portion of its assets in the County/City/Special District/School District, Transportation and Utilities sectors. MIY invested a significant portion of its assets in securities in the County/City/Special District/School District sector. MPA invested a significant portion of its assets in securities in the County/City/Special District/School District and State sectors. Changes in economic conditions affecting the County/City/Special District/School District, State, Transportation and Utilities sectors would have a greater impact on the Funds and could affect the value, income and/or liquidity of positions in such securities.

## **7. Capital Share Transactions:**

MFT and MPA are authorized to issue an unlimited number of Common Shares of beneficial interest, par value \$0.10 per share together with 1 million Preferred Shares of beneficial interest, par value \$0.05 per share. Each Fund's Board is authorized, however, to reclassify any unissued shares of Common Shares without approval of Common Shareholders.

MUC, MUJ, MIY and MJI are authorized to issue 200 million shares, par value \$0.10 per share or \$0.05 per share, all of which were initially classified as Common Shares. Each Fund's Board is authorized, however, to reclassify any unissued shares of Common Shares without approval of Common Shareholders.

### **Common Shares**

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

SEMI-ANNUAL REPORT JANUARY 31, 2012 49

## Notes to Financial Statements (continued)

|     | Six Months Ended | Year Ended    |
|-----|------------------|---------------|
|     | January 31, 2012 | July 31, 2011 |
| MUJ | 10,454           | 12,381        |
| MFT | 3,674            | 6,451         |
| MIY | 11,314           |               |
| MJI | 8,599            | 24,556        |
| MPA | 7,197            | 5,736         |

Shares issued and outstanding remained constant for MUC for the six months ended January 31, 2012 and the year ended July 31, 2011.

**Preferred Shares**

Each Fund's Preferred Shares rank prior to the Fund's Common Shares as to the payment of dividends by the Funds and distribution of assets upon dissolution or liquidation of the Funds. 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 Funds fail 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 instrument, the Funds are 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 Funds fail to declare and pay dividends on the Preferred Shares, redeem any Preferred Shares required to be redeemed under the Preferred Shares governing instrument or comply with the basic maintenance amount requirement of the rating agencies then 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 the Funds. 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 and include a liquidity feature 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 an 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.

The VRDP Shares issued for the year ended July 31, 2011 were as follows:

| <b>Issue Date</b> | <b>Shares Issued</b> | <b>Aggregate Principal</b> | <b>Maturity Date</b> |
|-------------------|----------------------|----------------------------|----------------------|
| MUJ 6/30/11       | 1,727                | \$172,700,000              | 7/01/41              |
| MIY 6/30/11       | 644                  | \$144,650,000              | 7/01/41              |
| MJI 4/21/11       | 1,446                | \$ 64,475,000              | 5/01/41              |
| MPA 5/19/11       | 663                  | \$ 66,350,000              | 6/01/41              |

The VRDP Funds entered into a fee agreement with the liquidity providers that required an initial commitment and a per annum liquidity fee to be paid to the liquidity providers. These fees are shown as liquidity fees in the Statements of Operations.

The fee agreement between the VRDP Funds and the respective liquidity providers is for a 1 year term and is scheduled to expire on April 18, 2012 for MJI, May 18, 2012 for MPA and June 29, 2012 for MUJ and MIY unless renewed or terminated in advance. 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 providers six months after the purchase date. Immediately after the purchase of any VRDP Shares by the liquidity providers, 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, VRDP Funds are required to redeem certain of their outstanding VRDP Shares if they fail to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, 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. In the event of an optional redemption of VRDP Shares prior to the initial termination date of the fee agreement, the VRDP Funds must pay the respective liquidity provider fees on such redeemed VRDP Shares for the remaining term of the fee agreement up to the initial termination date.

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 as discussed below. 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. Moody's has announced a review of its rating methodologies with respect to investment company securities, and any amendments to its rating methodologies may adversely affect Moody's current long-term ratings of the VRDP Shares.

50SEMI-ANNUAL REPORT JANUARY 31, 2012

## Notes to Financial Statements (continued)

The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity providers. Changes in the credit quality of the liquidity providers could cause a change in the short-term credit ratings of the VRDP Shares. Although not directly correlated, a change in the short-term credit rating of the VRDP Shares may adversely affect the dividend rate paid on such shares. As of January 31, 2012 the short-term ratings of the liquidity providers and the VRDP Shares are P-1/F-1 and P-1/F-1 as rated by Moody's and Fitch, respectively. The liquidity providers may be terminated prior to the scheduled termination date if the liquidity providers fail to maintain short-term debt ratings in one of the two highest rating categories. Moody's has placed the liquidity providers and the short-term ratings of the VRDP Shares on review for possible downgrade.

For financial reporting purposes, VRDP shares are considered debt of the issuer; therefore, the liquidation value of 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 paid on the VRDP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VRDP shares are treated as equity for tax purposes. Dividends paid to holders of VRDP Shares are generally classified as tax-exempt income for tax-reporting purposes.

The VRDP Funds pay commissions of 0.10% on the aggregate principal amount of all VRDP Shares, which are included in remarketing fees on Preferred Shares in the Statements of Operations. All of the Funds' VRDP Shares have successfully remarketed since issuance, with an annualized dividend rates for the six months ended January 31, 2012 as follows:

|     | <b>Rate</b> |
|-----|-------------|
| MUJ | 0.30%       |
| MIY | 0.28%       |
| MJI | 0.30%       |
| MPA | 0.28%       |

VRDP shares issued and outstanding remained constant for the six months ended January 31, 2012.

**VMTP Shares**

MFT has 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 of 1933.

The VMTP Shares issued for the six months ended January 31, 2012 were as follows:

| <b>Issue Date</b> | <b>Shares Issued</b> | <b>Aggregate Principal</b> | <b>Maturity Date</b> |
|-------------------|----------------------|----------------------------|----------------------|
| MFT 12/15/11      | 565                  | \$56,525,000               | 1/02/15              |

MFT is required to redeem its VMTP Shares on the term date, unless earlier redeemed or repurchased or unless extended. There is no assurance that the term of the Fund's VMTP Shares will be extended or that the 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, the Fund is required to begin to segregate liquid assets with the

Fund's custodian to fund the redemption. In addition, the 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, the 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, (the Rating Agencies), then such redemption is subject to a scheduled redemption premium 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 the Fund may also be required to register the VMTP Shares for sale under the Securities Act of 1933 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 payable monthly at a variable rate set weekly at a fixed rate spread to the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by the Rating Agencies. At the date of issuance, the VMTP Shares were assigned a long-term rating of Aaa from Moody's and AAA from Fitch. Moody's has announced a review of its rating methodologies with respect to investment company securities, and any amendments to its respective rating methodologies may adversely affect the Moody's current long-term ratings of the VMTP Shares. 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 others, the timely payment of dividends, redemptions or gross-up payments, and maintaining certain asset coverage and leverage requirements.

The average annualized dividend rate of the VMTP Shares for the six months ended January 31, 2012 for MFT was 1.15%.

For financial reporting purposes, VMTP shares are considered debt of the issuer; therefore, the liquidation value of 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 paid on the VMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VMTP shares are treated as equity for tax purposes. Dividends paid to holders of VMTP Shares are generally classified as tax-exempt income for tax-reporting purposes.

## **AMPS**

The AMPS are redeemable at the option of MUC, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The AMPS are also subject to mandatory redemption at their liquidation preference plus any accumulated and unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Fund, as set forth in each Fund's Articles Supplementary/Statement of Preferences (the Governing Instrument) are not satisfied.

SEMI-ANNUAL REPORT JANUARY 31, 2012 51

## Notes to Financial Statements (concluded)

From time to time in the future, MUC may effect repurchases of its AMPS at prices below their liquidation preference as agreed upon by the Fund and seller. The Fund also may redeem its AMPS from time to time as provided in the applicable Governing Instrument. The Fund intends to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

MUC had the following series of AMPS outstanding, effective yields and reset frequency as of January 31, 2012:

| Series | AMPS  | Yield  | Reset     |           |
|--------|-------|--------|-----------|-----------|
|        |       |        | Effective | Frequency |
|        |       |        | Days      |           |
| MUCA   | 1,251 | 0.13 % | 7         |           |
| B      | 2,527 | 0.13 % | 7         |           |
| C      | 2,084 | 0.12 % | 7         |           |
| D      | 1,928 | 0.12 % | 7         |           |
| E      | 2,370 | 0.13 % | 7         |           |

Dividends on seven-day AMPS are cumulative at a rate, which is reset every seven based on the results of an auction. If the AMPS fail to clear the auction on an auction date, each Fund is required to pay the maximum applicable rate on the AMPS to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on the AMPS is as footnoted in the table below. The low, high and average dividend rates on the AMPS for each Fund for the period were as follows:

| Series             | Low    | High   | Average |
|--------------------|--------|--------|---------|
| MUCA <sup>1</sup>  | 0.11 % | 0.31 % | 0.20 %  |
| B <sup>1</sup>     | 0.11 % | 0.31 % | 0.20 %  |
| C <sup>1</sup>     | 0.11 % | 0.31 % | 0.20 %  |
| D <sup>1</sup>     | 0.11 % | 0.31 % | 0.20 %  |
| E <sup>1</sup>     | 0.11 % | 0.31 % | 0.20 %  |
| MFT A <sup>1</sup> | 0.17 % | 0.31 % | 0.24 %  |
| B <sup>2</sup>     | 1.29 % | 1.38 % | 1.32 %  |

<sup>1</sup> The maximum applicable rate on this series of AMPS is the higher of 110% of the AA commercial paper rate or 110% of 90% of Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

<sup>2</sup> The maximum applicable rate on this series of AMPS is the higher of 110% plus or times (i) the Telerate/BBA LIBOR or (ii) 90% of Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

Since February 13, 2008, the AMPS of the Funds failed to clear any of their auctions. As a result, the AMPS dividend rates were reset to the maximum applicable rate, which ranged from 0.11% to 1.38% for the six months ended January 31, 2012. A failed auction is not an event of default for the Funds but it has a negative impact on the liquidity of AMPS. A failed auction occurs when there are more sellers of a fund's AMPS than buyers. A successful auction for the Funds' AMPS may not occur for some time, if ever, and even if liquidity does resume, holders of AMPS may not have the ability to sell the AMPS at their liquidation preference.

MUC may not declare dividends or make other distributions on Common Shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding AMPS is less than 200%.

MUC pays commissions of 0.15% on the aggregate principal amount of all shares that fail to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Certain broker dealers have individually agreed to reduce commissions for failed auctions. The commissions paid to those brokers dealers are included in remarketing fees on Preferred Shares in the Statements of Operations.

During the six months ended January 31, 2012, MFT announced the following redemptions of AMPS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

|       | <b>Redemption Series</b> | <b>Shares Redeemed</b> | <b>Aggregate Principal</b> |
|-------|--------------------------|------------------------|----------------------------|
| MFT A | 1/10/12                  | 1,884                  | 47,100,000                 |
| B     | 1/5/12                   | 377                    | 9,425,000                  |

MFT financed the AMPS redemptions with the proceeds received from the issuance of VMTP Shares of \$56,525,000.

AMPS issued and outstanding remained constant for the six months ended January 31, 2012 and the year ended July 31, 2011 for MUC.

#### 8. 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:

The Funds paid a net investment income dividend in the following amounts per share on March 1, 2012 to Common Shareholders of record on February 15, 2012:

**Common Dividend Per Share**  
MUC \$0.0765  
MUJ \$0.0740  
MFT \$0.0710  
MIY \$0.0765  
MJI \$0.0720  
MPA \$0.0765

The dividends declared on AMPS, VRDP or VMTP Shares for the period February 1, 2012 to February 29, 2012 were as follows:

|              | <b>Dividends Series Declared</b> |  |
|--------------|----------------------------------|--|
| MUC AMPS A   | \$ 4,804                         |  |
| B            | \$ 9,072                         |  |
| C            | \$ 7,419                         |  |
| D            | \$ 6,825                         |  |
| E            | \$ 8,342                         |  |
| MUJ VRDP W-7 | \$ 46,242                        |  |
| MFT VMTP W-7 | \$ 50,943                        |  |
| MIY VRDP W-7 | \$ 31,844                        |  |



MJI VRDP W-7 \$ 17,244  
MPA VRDP W-7 \$ 14,600

On March 22, 2012, MUC issued 2,540 Series W-7 VMTP Shares, \$100,000 liquidation value per share, with a maturity date of April 1, 2015 and total proceeds received of \$254,000,000 in a privately negotiated offering and sale of VMTP Shares exempt from registration under the Securities Act of 1933 to finance the AMPS redemption.

On March 23, 2012, MUC announced the redemptions of AMPS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

|               |             | <b>Shares</b>           | <b>Aggregate</b>      |
|---------------|-------------|-------------------------|-----------------------|
|               |             | <b>Redemption to be</b> | <b>Principal</b>      |
| <b>Series</b> | <b>Date</b> | <b>Redeemed</b>         | <b>to be Redeemed</b> |
| MUCA          | 4/17/12     | 1,251                   | \$31,275,000          |
| B             | 4/16/12     | 2,527                   | \$63,175,000          |
| C             | 4/13/12     | 2,084                   | \$52,100,000          |
| D             | 4/12/12     | 1,928                   | \$48,200,000          |
| E             | 4/18/12     | 2,370                   | \$59,250,000          |

52 SEMI-ANNUAL REPORT JANUARY 31, 2012

## Officers and Directors<sup>1</sup>

Richard E. Cavanagh, Chairman of the Board and Director  
Karen P. Robards, Vice Chairperson of the Board, Chairperson  
of the Audit Committee and Director  
Paul. L. Audet, 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  
Henry Gabbay, Director  
Jerrold B. Harris, Director  
R. Glenn Hubbard, Director  
W. Carl Kester, Director and Member of the Audit Committee  
John M. Perlowski, President and Chief Executive Officer  
Anne Ackerley, Vice President  
Brendan Kyne, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer and Anti-Money  
Laundering Officer  
Ira P. Shapiro, Secretary

<sup>1</sup> John F. Powers, who was a Director of the Funds, resigned as of February 21, 2012.

## Investment Advisor

BlackRock Advisors, LLC  
Wilmington, DE 19809

## Sub-Advisor

BlackRock Financial Management, Inc.  
New York, NY 10055

## Custodians

State Street Bank and Trust Company<sup>2</sup>  
Boston, MA 02110

The Bank of New York Mellon<sup>3</sup>  
New York, NY 10286

## Transfer Agent

Common Shares  
Computershare Trust Company, N.A.  
Providence, RI 02940

## AMPS Auction Agent

BNY Mellon Shareowner Services  
Jersey City, NJ 07310

**VRDP Tender and Paying Agent and  
VMTP Redemption and Paying Agent**

The Bank of New York Mellon  
New York, NY 10289

**VRDP Liquidity Providers and Remarketing Agents**

Citigroup Global Markets Inc.<sup>4</sup>  
New York, NY 10179

Merrill Lynch, Pierce, Fenner & Smith Incorporated<sup>5</sup>  
New York, NY 10036

**Accounting Agent**

State Street Bank and Trust Company  
Boston, MA 02110

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Boston, MA 02116

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

**Address of the Funds**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>2</sup> For MPA.

<sup>3</sup> For MUC, MUJ, MFT, MIY and MJJ.

<sup>4</sup> For MIY and MPA.

<sup>5</sup> For MUJ and MJJ.

SEMI-ANNUAL REPORT JANUARY 31, 2012 53

## 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

On June 10, 2010, the Manager announced that MUJ and MIY each received a demand letter from a law firm on behalf of Common Shareholders of MUJ and MIY. The demand letters allege that the Manager and officers and Boards of Directors of MUJ and MIY (the "Boards") breached their fiduciary duties by redeeming at par certain of MUJ and MIY's Preferred Shares, and demanded that the Boards take action to remedy those alleged breaches. In response to the demand letter, the Boards established a Demand Review Committee (the "Committee") of the Independent Directors to investigate the claims made in the demand letters with the assistance of independent counsel. Based upon its investigation, the Committee recommended that the Boards reject the demand specified in the demand letters. After reviewing the findings of the Committee, the Boards unanimously adopted the Committee's recommendation and unanimously voted to reject the demand.

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 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

Electronic copies of most financial reports are available on the Funds' web-sites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

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

Please contact your financial advisor to enroll. 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) 441-7762.

### **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, D.C. 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) 441-7762.

54 SEMI-ANNUAL REPORT JANUARY 31, 2012

[Additional Information \(concluded\)](#)

[General Information \(concluded\)](#)

### **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 (1) without charge, upon request, by calling (800) 441-7762; (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) 441-7762 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>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds.

### **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

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information.

SEMI-ANNUAL REPORT JANUARY 31, 2012 55

This report is transmitted to shareholders only. 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 the short-term dividend rates of the Preferred Shares may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

#MHMYINS6-1/12-SAR

56 SEMI-ANNUAL REPORT JANUARY 31, 2012



- 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 MuniYield Michigan Quality Fund, Inc.

By: /s/ John M. Perlowski

John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniYield Michigan Quality Fund, Inc.

Date: April 2, 2012

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 MuniYield Michigan Quality Fund, Inc.

Date: April 2, 2012

By: /s/ Neal J. Andrews

Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniYield Michigan Quality Fund, Inc.

Date: April 2, 2012