

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

Form N-CSR

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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 52nd Street, New York, NY 10055

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Date of fiscal year end: 07/31/2015

Date of reporting period: 07/31/2015

Item 1 Report to Stockholders

ANNUAL REPORT

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 Pennsylvania Quality Fund (MPA)

Not FDIC Insured May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

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

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

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

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

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of July 31, 2015

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

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

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

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Municipal Market Overview

For the Reporting Period Ended July 31, 2015

Municipal Market Conditions

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

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

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

A Closer Look at Yields

From July 31, 2014 to July 31, 2015, yields on AAA-rated 30-year municipal bonds declined by 18 basis points (bps) from 3.30% to 3.12%, while 10-year rates fell by 7 bps from 2.26% to 2.19% and 5-year rates increased 8 bps from 1.22% to 1.30% (as measured by Thomson Municipal Market Data). Overall, the municipal yield curve remained relatively steep over the 12-month period even as the spread between 2- and 30-year maturities flattened by 49 bps and the spread between 2- and 10-year maturities flattened by 38 bps.

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

Financial Conditions of Municipal Issuers

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

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

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

The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

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

Derivative Financial Instruments

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The Funds may invest in various derivative financial instruments. Derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage. Derivative financial instruments also involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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JULY 31, 2015

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Fund Summary as of July 31, 2015

BlackRock MuniHoldings California Quality Fund, Inc.

Fund Overview

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

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

Fund Information

Symbol on New York Stock Exchange (NYSE)	MUC
Initial Offering Date	February 27, 1998
Yield on Closing Market Price as of July 31, 2015 (\$14.28) ¹	5.67%
Tax Equivalent Yield ²	11.55%
Current Monthly Distribution per Common Share ³	\$0.0675
Current Annualized Distribution per Common Share ³	\$0.8100
Economic Leverage as of July 31, 2015 ⁴	39%

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

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

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

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

Performance

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

	Returns Based On	
	Market Price	NAV ⁷
MUC ⁵	7.60%	5.52%
Lipper California Municipal Debt Funds ⁶	7.67%	6.36%

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

⁶ Average return.

⁷ 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.

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The following discussion relates to the Fund's absolute performance based on NAV:

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

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

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

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

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

BlackRock MuniHoldings California Quality Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$14.28	\$14.04	1.71%	\$15.15	\$13.85
Net Asset Value	\$15.78	\$15.82	(0.25)%	\$16.31	\$15.58

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/15	7/31/14
County/City/Special District/School District	40%	37%
Utilities	24	25
Transportation	12	14
Health	12	12
Education	6	6
State	6	6

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

Credit Quality Allocation ¹	7/31/15	7/31/14
AAA/Aaa	15%	15%
AA/Aa	75	76
A	10	9

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

Call/Maturity Schedule²

Calendar Year Ended December 31,

2015	4%
2016	8
2017	11
2018	12
2019	15

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

* Excludes short-term securities.

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JULY 31, 2015

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Fund Summary as of July 31, 2015

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.

On December 5, 2014, the Boards of the Fund and BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI) approved the reorganization of MJI with and into the Fund, with the Fund continuing as the surviving fund after the reorganization. At a special shareholder meeting on March 12, 2015, the requisite shareholders of the Fund and MJI approved the reorganization, which was effective on April 13, 2015.

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

Fund Information

Symbol on NYSE	MUJ
Initial Offering Date	March 11, 1998
Yield on Closing Market Price as of July 31, 2015 (\$13.55) ¹	6.55%
Tax Equivalent Yield ²	12.71%
Current Monthly Distribution per Common Share ³	\$0.074
Current Annualized Distribution per Common Share ³	\$0.888
Economic Leverage as of July 31, 2015 ⁴	38%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 48.48%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

Performance

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

	Returns Based On	
	Market Price	NAV ⁷
MUJ ⁵	2.18%	5.59%
Lipper New Jersey Municipal Debt Funds ⁶	6.31%	4.64%

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

⁶ Average return.

⁷ The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The following discussion relates to the Fund's absolute performance based on NAV:

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

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

The Fund's exposure to New Jersey state-appropriated securities was the largest detractor from absolute performance. Due to concerns about the state's budget and pension obligations, along with the associated credit rating agency downgrades, the value of New Jersey state-appropriated securities fell during the period. The Fund's use of U.S. Treasury futures contracts to manage interest rate risk also had a slightly negative impact on performance given that bond yields declined during the reporting period.

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

Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$ 13.55	\$ 14.11	(3.97)%	\$ 15.33	\$ 13.14
Net Asset Value	\$ 15.62	\$ 15.74	(0.76)%	\$ 16.59	\$ 15.40

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/15	7/31/14
Transportation	22%	23%
Education	22	18
State	21	22
County/City/Special District/School District	15	14
Health	11	12
Housing	4	6
Utilities	3	3
Corporate	2	2

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

Call/Maturity Schedule³

Calendar Year Ended December 31,

2015	5%
2016	3
2017	7
2018	9
2019	4

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

* Excludes short-term securities.

Credit Quality Allocation¹

	7/31/15	7/31/14
AAA/Aaa	8%	9%
AA/Aa	50	51
A	35	33
BBB/Baa	7	7
NR ²		

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

² The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of July 31, 2015, and July 31, 2014, the market value of unrated securities deemed by the investment advisor to be of investment grade each represents less than 1%.

Fund Summary as of July 31, 2015

BlackRock MuniYield Investment Quality Fund

Fund Overview

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

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

Fund Information

Symbol on NYSE	MFT
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2015 (\$13.37) ¹	6.37%
Tax Equivalent Yield ²	11.25%
Current Monthly Distribution per Common Share ³	\$0.071
Current Annualized Distribution per Common Share ³	\$0.852
Economic Leverage as of July 31, 2015 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

Performance

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

	Returns Based on	
	Market Price	NAV ⁷
MFT ⁵	7.27%	7.25%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	6.90%	6.95%

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

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⁶ Average return.

⁷ The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

The following discussion relates to the Fund's absolute performance based on NAV:

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

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

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

**BlackRock MuniYield Investment Quality
Fund**

Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$ 13.37	\$ 13.26	0.83%	\$ 14.45	\$ 12.88
Net Asset Value	\$ 14.95	\$ 14.83	0.81%	\$ 15.68	\$ 14.76

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/15	7/31/14
Transportation	37%	36%
Utilities	19	21
County/City/Special District/School District	18	18
Health	11	11
State	9	9
Education	2	2
Housing	2	2
Corporate	2	
Tobacco		1

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

Credit Quality Allocation ¹	7/31/15	7/31/14
AAA/Aaa	7%	6%
AA/Aa	61	62
A	26	27
BBB/Baa	6	5

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

Call/Maturity Schedule²

Calendar Year Ended December 31,
2015

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2016	1%
2017	2
2018	11
2019	27

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

* Excludes short-term securities.

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Fund Summary as of July 31, 2015

BlackRock MuniYield Michigan Quality Fund, 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.

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

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

Fund Information

Symbol on NYSE	MIY
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2015 (\$13.22) ¹	6.26%
Tax Equivalent Yield ²	11.55%
Current Monthly Distribution per Common Share ³	\$0.069
Current Annualized Distribution per Common Share ³	\$0.828
Economic Leverage as of July 31, 2015 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 45.81%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

Performance

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

	Returns Based On	
	Market Price	NAV ⁷
MIY ⁵	4.43%	8.08%
Lipper Other States Municipal Debt Funds ⁶	4.85%	6.04%

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

⁶ Average return.

⁷ The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The following discussion relates to the Fund's absolute performance based on NAV:

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

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

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

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

BlackRock MuniYield Michigan Quality Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$13.22	\$13.47	(1.86)%	\$14.63	\$13.18
Net Asset Value	\$15.48	\$15.24	1.57%	\$16.19	\$15.24

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/15	7/31/14
Education	22%	21%
Health	21	18
County/City/Special District/School District	16	19
State	14	11
Utilities	10	13
Transportation	9	9
Housing	5	6
Corporate	3	3

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

Credit Quality Allocation ¹	7/31/15	7/31/14
AAA/Aaa	1%	3%
AA/Aa	73	73
A	23	24
BBB/Baa	2	
N/R	1	

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

Call/Maturity Schedule²

Calendar Year Ended December 31,

2015	5%
2016	5
2017	7

2018
2019

13
6

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

* Excludes short-term securities.

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Fund Summary as of July 31, 2015

BlackRock MuniYield Pennsylvania Quality Fund

Fund Overview

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

On December 5, 2014, the Boards of the Fund and The BlackRock Pennsylvania Strategic Municipal Trust (BPS) approved the reorganization of BPS with and into the Fund, with the Fund continuing as the surviving fund after the reorganization. At a special shareholder meeting on March 12, 2015, the shareholders of the Fund and BPS approved the reorganization, which was effective on April 13, 2015.

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

Fund Information

Symbol on NYSE	MPA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2015 (\$13.50) ¹	6.36%
Tax Equivalent Yield ²	11.59%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of July 31, 2015 ⁴	35%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 45.14%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

Performance

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

	Returns Based On	
	Market Price	NAV ⁷
MPA ⁵	3.34%	6.33%

Lipper Pennsylvania Municipal Debt Funds⁶

1.22%

6.24%

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

⁶ Average return.

⁷ The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The following discussion relates to the Fund's absolute performance based on NAV:

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

The Fund's duration exposure (sensitivity to interest rate movements) contributed positively to performance as interest rates declined during the period. (Bond prices rise when rates fall.) The Fund's exposure to long-maturity bonds benefited performance given the flattening of the yield curve and the outperformance of long-term bonds. Investments in zero-coupon bonds, which generated strong price performance, also aided returns. Income in the form of coupon payments made up a meaningful portion of the Fund's total return for the period. The Fund's exposure to the healthcare sector made a strong contribution to total return, followed by its positions in the transportation sector.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance early in the period, but it was a small positive once rates began to move higher.

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

BlackRock MuniYield Pennsylvania Quality Fund

Market Price and Net Asset Value Per Share Summary

	7/31/15	7/31/14	Change	High	Low
Market Price	\$ 13.50	\$ 13.89	(2.81)%	\$ 15.27	\$ 13.35
Net Asset Value	\$ 15.77	\$ 15.77	0.00%	\$ 16.47	\$ 15.59

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/15	7/31/14
Health	20%	17%
County/City/Special District/School District	19	25
Education	15	10
State	14	16
Transportation	12	11
Corporate	8	8
Utilities	7	7
Housing	5	6

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

Credit Quality Allocation ¹	7/31/15	7/31/14
AAA/Aaa	1%	1%
AA/Aa	65	74
A	23	19
BBB/Baa	9	6
N/R ²	2	

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

² The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of July 31, 2015 and July 31, 2014, the market value of unrated securities deemed by the investment advisor to be investment grade represents 1% and less than 1%, respectively.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2015	6%
2016	4
2017	7
2018	13
2019	13

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

* Excludes short-term securities.

Schedule of Investments July 31, 2015

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
California 107.8%		
Corporate 0.4%		
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	\$ 2,435	\$ 2,800,006
County/City/Special District/School District 34.9%		
Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 8/01/41	9,120	10,986,955
City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26	4,040	4,056,887
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	3,500	4,026,540
County of Los Angeles California Sanitation Districts Financing Authority, Refunding RB, (BHAC), 5.00%, 10/01/15 (a)	7,915	7,978,399
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/35	2,500	2,784,050
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	2,665	3,208,047
County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/18 (a)	5,060	5,746,338
Covina-Valley Unified School District, GO, Series B:		
5.00%, 8/01/39	3,845	4,352,386
5.00%, 8/01/44	6,250	7,024,063
Culver City Redevelopment Finance Authority California, Refunding, Tax Allocation Bonds, Series A (AGM), 5.60%, 11/01/25	3,750	3,765,975
Fremont Union High School District, GO, Refunding, 4.00%, 8/01/40	5,000	5,098,550
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/40	5,500	6,244,590
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/21 (a)	2,000	2,518,460
Kern Community College District, GO, Safety Repair & Improvements, Series C:		
5.25%, 11/01/32	5,715	6,630,200
5.75%, 11/01/34	12,085	14,538,013
Los Alamitos Unified School District, GO, Refunding, School Facilities Improvement, Series E, 5.25%, 8/01/39	3,700	4,226,029
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	12,485,660
Mount San Jacinto Community College District, GO, Series A, 5.00%, 8/01/35	3,565	4,035,437
Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35	10,000	10,941,700
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,530,850
Rio Elementary School District, GO, Series A, 5.25%, 8/01/40	5,865	6,624,342
	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
County/City/Special District/School District (concluded)		
Riverside Community College District, GO, Election of 2004, Series C (a):		
5.00%, 8/01/17	\$ 8,910	\$ 9,691,585
(AGM), 5.00%, 8/01/17	8,750	9,517,550
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	10,750	11,211,605
San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/29	905	1,025,238
San Francisco California Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30	21,600	21,683,376
San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A:		
5.75%, 5/01/36	2,560	2,648,960
5.75%, 5/01/42	4,500	5,314,770
San Jose California Financing Authority, Refunding LRB, Convention Center Expansion & Renovation Project, Series A, 5.00%, 6/01/39	5,800	6,509,514
San Marcos Redevelopment Agency Successor Agency, Refunding, Tax Allocation Bonds, Series A:		
5.00%, 10/01/32	1,700	1,935,212
5.00%, 10/01/33	1,125	1,276,504
5.00%, 10/01/34	900	1,017,900

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San Ramon Valley Unified School District, GO, Election of 2012, 4.00%, 8/01/40	1,670	1,700,361
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,635	6,484,195
West Contra Costa California Unified School District, GO:		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	5,390	6,280,213
Election of 2010, Series B, 5.50%, 8/01/39	3,195	3,685,688
Election of 2012, Series A, 5.50%, 8/01/39	2,500	2,883,950

225,670,092

Education 4.1%

California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,251,105
Gavilan Joint Community College District, GO, Election of 2004, Series D:		
5.50%, 8/01/31	2,170	2,543,500
5.75%, 8/01/35	8,400	9,937,620
University of California, Refunding RB:		
5.00%, 5/15/40	5,430	6,201,440
Series I, 5.00%, 5/15/32	4,000	4,648,280

26,581,945

Portfolio Abbreviations

AGC Assured Guarantee Corp.	EDA Economic Development Authority	ISD Independent School District
AGM Assured Guaranty Municipal Corp.	EDC Economic Development Corp.	LRB Lease Revenue Bonds
AMBAC American Municipal Bond Assurance Corp.	ERB Education Revenue Bonds	M/F Multi-Family
AMT Alternative Minimum Tax (subject to)	GARB General Airport Revenue Bonds	NPFGC National Public Finance Guarantee Corp.
ARB Airport Revenue Bonds	GO General Obligation Bonds	Q-SBLF Qualified School Bond Loan Fund
BARB Building Aid Revenue Bonds	HDA Housing Development Authority	RB Revenue Bonds
BHAC Berkshire Hathaway Assurance Corp.	HFA Housing Finance Agency	S/F Single-Family
CAB Capital Appreciation Bonds	IDA Industrial Development Authority	Syncora Syncora Guarantee
COP Certificates of Participation	IDB Industrial Development Board	

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
Health 15.4%		
ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare, Series B, 6.25%, 8/01/39	\$ 6,305	\$ 7,359,259
California Health Facilities Financing Authority, RB:		
Children's Hospital, Series A, 5.25%, 11/01/41	8,000	8,845,600
Kaiser Permanente, Series A, 5.25%, 4/01/39	7,275	7,421,300
Providence Health Services, Series B, 5.50%, 10/01/39	4,130	4,708,572
Sutter Health, Series A, 5.25%, 11/15/46	7,500	7,810,875
Sutter Health, Series B, 6.00%, 8/15/42	9,655	11,446,389
California Health Facilities Financing Authority, Refunding RB, Series A:		
Catholic Healthcare West, 6.00%, 7/01/34	3,700	4,230,765
Providence Health and Services, 5.00%, 10/01/38	10,970	12,341,908
St. Joseph Health System, 5.00%, 7/01/37	10,000	11,116,700
California Statewide Communities Development Authority, RB, Kaiser Permanente, Series B, 5.25%, 3/01/45	12,505	12,761,353
California Statewide Communities Development Authority, Refunding RB:		
Kaiser Permanente, Series C, 5.25%, 8/01/31	2,500	2,599,575
Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	6,235	6,873,526
Washington Township Health Care District, GO, Series B, 5.50%, 8/01/38	1,625	1,912,495
		99,428,317
State 9.3%		
State of California, GO, Various Purposes:		
6.00%, 3/01/33	5,000	6,034,850
6.00%, 4/01/38	27,765	32,357,053
State of California Public Works Board, LRB:		
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,339,885
Various Capital Projects, Series I, 5.50%, 11/01/33	2,015	2,395,392
State of California Public Works Board, RB, California State Prisons, Series C, 5.75%, 10/01/31	1,205	1,465,895
University of California, RB, Limited Project, Series D (NPFGC), 5.00%, 5/15/16 (a)	13,000	13,617,240
		60,210,315
Transportation 17.7%		
City & County of San Francisco California Airports Commission, ARB, Series E, 6.00%, 5/01/39	9,650	11,230,091
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,573,800
Series A, 5.00%, 5/01/29	6,435	7,136,994
City of Los Angeles California Department of Airports, ARB, Los Angeles International Airport, Senior Series D, 5.25%, 5/15/29	2,590	3,007,793
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A:		
Senior, 5.00%, 5/15/40	5,000	5,643,700
5.25%, 5/15/39	5,845	6,572,060
City of Los Angeles Department of Airports, RB, AMT, Series A, 5.00%, 5/15/40	3,830	4,242,185
City of San Jose California, Refunding ARB, Series A-1, AMT:		
5.25%, 3/01/23	3,785	4,329,245
6.25%, 3/01/34	1,400	1,646,316
California (continued)		
Transportation (concluded)		
County of Orange California, ARB, Series B, 5.75%, 7/01/34	6,345	6,899,870
County of Sacramento California, ARB:		
Senior Series A (AGC), 5.50%, 7/01/41	8,190	9,102,857
Senior Series B, 5.75%, 7/01/39	2,650	2,960,156
Senior Series B, AMT (AGM), 5.75%, 7/01/28	13,275	14,766,844
Senior Series B, AMT (AGM), 5.25%, 7/01/33	18,000	19,593,180
County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40	4,545	5,280,063
Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34	5,530	6,267,536

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		114,252,690
Utilities 26.0%		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36	2,200	2,573,054
City of Los Angeles California Department of Water & Power, Refunding RB, Series A, 5.25%, 7/01/39	16,000	18,152,800
City of Los Angeles California Wastewater System, Refunding RB:		
Series B, 5.00%, 6/01/31	1,205	1,418,972
Series B, 5.00%, 6/01/32	600	703,182
Series D, 5.00%, 6/01/32	1,160	1,359,485
Sub-Series A, 5.00%, 6/01/28	2,000	2,307,300
City of San Francisco California Public Utilities Commission Water, RB, Series B, 5.00%, 11/01/30	10,000	11,407,500
City of San Francisco California Public Utilities Commission Water Revenue, RB, 5.00%, 11/01/39	5,245	5,903,720
County of Riverside California Public Financing Authority, RB, Capital Facility Project, 5.25%, 11/01/45	10,000	11,302,500
County of Sacramento California Sanitation Districts Financing Authority, RB, 5.00%, 12/01/36	1,010	1,045,098
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41	4,000	4,756,880
East Bay California Municipal Utility District Water System Revenue, Refunding RB (a):		
Series A (NPFGC), 5.00%, 6/01/17	6,670	7,214,872
Series A (NPFGC), 5.00%, 6/01/17	6,000	6,490,140
Sub-Series A (AGM), 5.00%, 6/01/17	11,190	12,104,111
Sub-Series A (AMBAC), 5.00%, 6/01/17	5,000	5,408,450
Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33	2,505	2,753,145
El Dorado Irrigation District / El Dorado County Water Agency, Refunding RB, Series A (AGM), 5.25%, 3/01/39	10,000	11,503,400
Imperial Irrigation District, Refunding RB, Electric System, 5.13%, 11/01/38	8,000	8,806,880
Los Angeles Department of Water, RB, Series A, 5.00%, 7/01/39	4,000	4,541,320
Los Angeles Department of Water & Power, RB:		
Series A, 5.38%, 7/01/38	9,375	10,527,094
Sub-Series A-2 (AGM), 5.00%, 7/01/35	5,000	5,194,000
San Diego Public Facilities Financing Authority Sewer, Refunding RB, Senior Series A: 5.25%, 5/15/34	1,060	1,202,676
5.25%, 5/15/39	10,000	11,279,100
San Diego Public Facilities Financing Authority Water, Refunding RB, Series B, 5.50%, 8/01/39	8,000	9,197,280
San Juan Water District, Refunding RB, San Juan & Citrus Heights, 5.25%, 2/01/33	7,325	8,375,405

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
California (concluded)		
Utilities (concluded)		
Santa Monica Community College District, GO, Series B, 5.00%, 8/01/44	\$ 2,500	\$ 2,834,850
		168,363,214
Total Municipal Bonds 107.8%		697,306,579
Municipal Bonds Transferred to Tender Option Bond Trusts (b)		
California 54.6%		
County/City/Special District/School District 30.9%		
California Health Facilities Financing Authority, RB, Sutter Health, Series A, 5.00%, 8/15/52	14,520	15,927,859
County of Alameda California Joint Powers Authority, Refunding LRB, (AGM), 5.00%, 12/01/34	13,180	14,264,450
County of San Luis Obispo Community College District, GO, Refunding, Election of 2014, Series A, 4.00%, 8/01/40	6,585	6,677,225
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	16,530	17,675,033
Foothill-De Anza Community College District, GO, Series C, 5.00%, 8/01/40	40,000	44,525,600
Los Angeles Community College District California, GO (a):		
Election of 2001, Series A (NPFGC), 5.00%, 8/01/17	6,647	7,230,565
Election of 2001, Series E-1, 5.00%, 8/01/18	11,770	13,207,588
Election of 2003, Series F-1, 5.00%, 8/01/18	10,000	11,221,400
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series C, 6.00%, 8/01/19 (a)	9,596	11,463,370
Palomar California Community College District, GO, Election of 2006, Series C, 5.00%, 8/01/44	15,140	17,192,833
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/16 (a)	10,000	10,471,000
Southwestern Community College District, GO, Series D, 5.00%, 8/01/44	10,820	12,218,485
West Valley-Mission Community College District, GO, Election of 2012, Series A, 4.00%, 8/01/40	17,000	17,843,880
		199,919,288
Education 6.0%		
University of California, RB:		
Limited Project, Series D (AGM), 5.00%, 5/15/16 (a)	8,000	8,379,840
Series AM, 5.25%, 5/15/44	10,210	11,793,571
Series O, 5.75%, 5/15/19 (a)	11,190	13,147,094
University of California, Refunding RB, Series AF, 5.00%, 5/15/39	5,000	5,630,600
		38,951,105
	Par	
Municipal Bonds Transferred to Tender Option Bond Trusts (b)	(000)	Value
California (concluded)		
Health 3.2%		
California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42	19,070	20,851,710
Transportation 0.9%		
City of Los Angeles California Department of Airports, RB, AMT, Senior Revenue, Series A, 5.00%, 5/15/40	5,500	6,091,910
Utilities 13.6%		
City of Los Angeles California Wastewater System, RB, Green Bonds, Series A, 5.00%, 6/01/44	13,790	15,657,580
Country of San Mateo Community College District, GO, Series A, 5.00%, 9/01/45	17,615	20,181,650
County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/33	16,740	18,339,507
East Bay California Utility District, 5.00%, 6/01/44	11,000	12,512,610
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/17 (a)	14,510	15,695,322

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Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34	5,008	5,516,761
		87,903,430
Total Municipal Bonds Transferred to Tender Option Bond Trusts 54.6%		353,717,443
Total Long-Term Investments (Cost \$986,590,381) 162.4%		1,051,024,022