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BLACKROCK MUNIYIELD QUALITY FUND INC

Form N-Q

March 31, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-06660

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock MuniYield Quality Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 10/31/2009

Date of reporting period: 11/01/2008 – 01/31/2009

Item 1 – Schedule of Investments

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**BlackRock MuniYield Quality Fund, Inc.**

Schedule of Investments January 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

State	Municipal Bonds	Par (000)	Value
<b>Alabama - 2.3%</b>	Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 4.75%, 1/01/25	\$ 3,000	\$ 1,923,060
	University of Alabama, General Revenue Bonds, Series A, 5%, 7/01/34 (a)	7,125	6,954,428
			8,877,488
<b>Alaska - 1.1%</b>	Matanuska-Susitna, Alaska, Lease Revenue Bonds (Goose Creek Correctional Center Project), 6%, 9/01/32 (b)	3,925	4,080,665
<b>Arizona - 0.5%</b>	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, 5%, 12/01/32	2,970	1,981,317
<b>California - 15.7%</b>	Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.446%, 10/01/25 (c)(d)	4,150	3,270,242
	Arcadia, California, Unified School District, GO (Election of 2006), CABS, Series A, 5.81%, 8/01/39 (e)(f)	2,200	319,374
	Cabrillo, California, Community College District, GO (Election of 2004), Series B, 5.188%, 8/01/37 (a)(e)	3,250	531,472
	Cabrillo, California, Community College District, GO (Election of 2004), Series B, 4.869%, 8/01/38 (a)(e)	7,405	1,137,334
	California State, GO, 5.50%, 4/01/28	5	5,026
	California State, GO, Refunding, 5.125%, 6/01/27	30	29,284
	California State University, Systemwide Revenue Bonds, Series A, 5%, 11/01/35 (a)(g)	3,450	3,195,907
	Chino Valley, California, Unified School District, GO (Election of 2002), Series C, 5.25%, 8/01/30 (a)	1,200	1,165,380
	Coast Community College District, California, GO, Refunding (Election of 2002), Series C, 5.446%, 8/01/13 (d)(f)	2,800	2,102,100
	Fresno, California, Unified School District, GO (Election of 2001), Series E, 5%, 8/01/30 (f)	1,230	1,203,051
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series B, 5.50%, 6/01/13 (h)(i)	10,000	11,415,200
	Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Series B1, 4.75%, 8/01/37 (a)(g)	3,210	2,778,769
	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5%, 10/01/29 (a)(g)	4,000	4,001,360
Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5%, 10/01/36 (a)(g)	2,275	2,218,898	

**Portfolio Abbreviations**

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To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the list below.

<b>AMT</b>	Alternative Minimum Tax (subject to)
<b>CABS</b>	Capital Appreciation Bonds
<b>COP</b>	Certificates of Participation
<b>EDA</b>	Economic Development Authority
<b>GAN</b>	Grant Application Notes
<b>GO</b>	General Obligation Bonds
<b>HDA</b>	Housing Development Authority
<b>HFA</b>	Housing Finance Agency
<b>IDA</b>	Industrial Development Authority
<b>IDR</b>	Industrial Development Revenue Bonds
<b>PCR</b>	Pollution Control Revenue Bonds
<b>S/F</b>	Single-Family

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(Percentages shown are based on Net Assets)

State	Municipal Bonds	Par (000)	Value
	Mount Diablo, California, Unified School District, GO (Election of 2002), 5%, 7/01/27 (a)(g)	\$ 2,000	\$ 1,943,640
	Orange County, California, Sanitation District, COP, 5%, 2/01/33 (a)(g)	2,750	2,635,078
	Orange County, California, Sanitation District, COP, Series B, 5%, 2/01/30 (f)	3,500	3,428,705
	Orange County, California, Sanitation District, COP, Series B, 5%, 2/01/31 (f)	1,200	1,167,228
	Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), 5.125%, 6/15/33 (c)	2,000	1,564,260
	Sacramento, California, Unified School District, GO (Election of 2002), 5%, 7/01/30 (a)	2,500	2,438,900
	San Jose, California, Airport Revenue Refunding Bonds, AMT, Series A, 5.50%, 3/01/32 (c)	5,100	4,343,415
	San Jose, California, Unified School District, Santa Clara County, GO (Election of 2002), Series B, 5%, 8/01/29 (a)(g)	2,825	2,782,258
	San Mateo County, California, Community College District, GO (Election of 2001), Series A, 5%, 9/01/26 (a)(g)	2,725	2,733,747
	Ventura County, California, Community College District, GO (Election of 2002), Series B, 5%, 8/01/30 (a)	3,150	3,072,983
			59,483,611
<b>Colorado - 0.9%</b>	Colorado Health Facilities Authority Revenue Bonds (Covenant Retirement Communities, Inc.), Series A, 5.50%, 12/01/27 (i)	1,600	1,308,944
	Colorado Health Facilities Authority Revenue Bonds (Covenant Retirement Communities, Inc.), Series A, 5.50%, 12/01/33 (i)	900	685,350
	E-470 Public Highway Authority, Colorado, Capital Appreciation Revenue Refunding Bonds, Series B, 5.506%, 9/01/29 (a)(e)	9,000	1,534,680
			3,528,974
<b>District of Columbia - 0.2%</b>	District of Columbia, Revenue Refunding Bonds (Catholic University of America), 5.625%, 10/01/29 (c)	570	572,821
<b>Florida - 5.9%</b>	Beacon Tradeport Community Development District, Florida, Special Assessment Revenue Refunding Bonds (Commercial Project), Series A, 5.625%, 5/01/32 (i)	2,235	1,682,039
	Duval County, Florida, School Board, COP (Master Lease Program), 5%, 7/01/33 (f)	3,100	2,827,045
	Florida State Department of Environmental Protection, Preservation Revenue Bonds, Series B, 5%, 7/01/27 (a)	2,545	2,384,690
	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT,	8,200	6,380,256

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5%, 10/01/40 (b)(j)

Miami-Dade County, Florida, Aviation Revenue  
Refunding Bonds (Miami International Airport), AMT,  
Series A, 5%, 10/01/38 (k)

3,000

2,274,900

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**BlackRock MuniYield Quality Fund, Inc.**

Schedule of Investments January 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

State	Municipal Bonds	Par (000)	Value
	Miami-Dade County, Florida, GO (Building Better Communities Program), Series B, 6.375%, 7/01/28	\$ 3,300	\$ 3,606,273
	Miami, Florida, Special Obligation Revenue Bonds (Street and Sidewalk Improvement Program), 5%, 1/01/37 (a)	1,100	945,186
	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series B, 5.125%, 1/01/32 (a)(g)	2,200	2,071,322
			22,171,711
<b>Georgia - 3.5%</b>	Atlanta, Georgia, Airport Passenger Facility Charge and Subordinate Lien General Revenue Refunding Bonds, Series C, 5%, 1/01/33 (f)	3,500	3,340,190
	Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5%, 11/01/34 (f)	4,270	3,967,470
	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5%, 11/01/33 (a)	1,200	1,005,600
	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5%, 11/01/39 (a)	2,525	2,052,572
	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25%, 10/01/39 (f)	2,820	2,830,744
			13,196,576
<b>Hawaii - 0.6%</b>	Hawaii State, GO, Series CX, 5.50%, 2/01/21 (f)	2,000	2,159,280
<b>Illinois - 23.6%</b>	Chicago, Illinois, O Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.75%, 1/01/23 (f)	3,400	3,314,116
	Chicago, Illinois, O Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.75%, 1/01/24 (f)	4,000	3,845,000
	Chicago, Illinois, O Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series B-2, 6%, 1/01/29 (j)	3,300	2,970,924
	Chicago, Illinois, O Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5.75%, 1/01/21 (a)	13,665	13,444,720
	Chicago, Illinois, O Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5.50%, 1/01/22 (a)	5,000	4,738,450
	Chicago, Illinois, O Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5.375%, 1/01/32 (a)	12,500	10,432,875
	Chicago, Illinois, O Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A-2, 5.75%, 1/01/21 (f)	2,665	2,681,843
	Chicago, Illinois, Water Revenue Refunding Bonds, Second Lien, 5.25%, 11/01/33 (f)	10,500	10,470,285

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Cook County, Illinois, Capital Improvement, GO, Series C, 5.50%, 11/15/12 (c)(h)	5,080	5,848,452
Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5.412%, 6/15/30 (c)(d)	28,525	24,234,270

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State	Municipal Bonds	Par (000)	Value
	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project), 5.50%, 12/15/24 (a)(g)	\$ 7,000	\$ 7,205,030
			89,185,965
<b>Indiana - 1.7%</b>	Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Refunding Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25%, 1/01/28 (a)	2,470	2,100,686
	Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Refunding Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25%, 1/01/30 (a)	5,055	4,216,477
			6,317,163
<b>Louisiana - 4.3%</b>	Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds (Capital Projects and Equipment Acquisition Program), Series A, 6.30%, 7/01/30 (c)	5,100	4,244,934
	Louisiana Public Facilities Authority, Revenue Refunding Bonds (CHRISTUS Health), Series B, 6.50%, 7/01/30 (b)	2,100	2,216,067
	Louisiana State Gas and Fuels Tax Revenue Bonds, Series A, 4.75%, 5/01/39 (f)	7,050	6,438,483
	Louisiana State Transportation Authority, Senior Lien Toll Revenue Capital Appreciation Bonds, Series B, 5.309%, 12/01/27 (c)(e)	4,675	1,440,134
	Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Power LLC Project), AMT, 4.70%, 11/01/36 (c)	800	482,288
	Terrebonne Parish, Louisiana, Hospital Service District Number 1, Hospital Revenue Bonds (Terrebonne General Medical Center Project), 5.50%, 4/01/33 (c)	1,800	1,441,296
			16,263,202
<b>Maryland - 0.6%</b>	Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Series A, 5.25%, 9/01/39 (i)(l)	2,285	2,286,302
<b>Massachusetts - 2.1%</b>	Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series C, 5.60%, 1/01/45 (f)	4,000	3,582,480
	Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Series 128, 4.80%, 12/01/27 (f)	2,200	1,890,988
	Massachusetts State Port Authority, Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), AMT, Series A, 5.50%, 1/01/19 (c)	3,825	2,488,048
			7,961,516



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**Michigan - 7.8%**

Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds, Series B, 5%, 7/01/36 (a)(g)	4,650	3,727,347
Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Refunding Bonds, Series E, 5.75%, 7/01/31 (g)(l)	8,300	8,518,041
Michigan Higher Education Student Loan Authority, Student Loan Revenue Refunding Bonds, AMT, Series XVII-G, 5.20%, 9/01/20 (c)	2,140	1,801,388
Michigan State Revenue Bonds, GAN, 5.25%, 9/15/26 (f)	3,350	3,359,681

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State	Municipal Bonds	Par (000)	Value
	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT, Series A, 5.50%, 6/01/30 (j)	\$ 1,700	\$ 1,382,423
	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT, Series C, 5.65%, 9/01/29 (j)	3,300	2,758,074
	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT, Series C, 5.45%, 12/15/32 (j)	5,800	4,573,184
	Royal Oak, Michigan, Hospital Finance Authority, Hospital Revenue Refunding Bonds (William Beaumont Hospital), 8.25%, 9/01/39	3,510	3,586,378
			29,706,516
<b>Minnesota - 2.2%</b>	Dakota County, Minnesota, Community Development Agency, S/F Mortgage Revenue Bonds (Mortgage-Backed Securities Program), Series B, 5.15%, 12/01/38 (m)(n)(o)	3,998	3,651,308
	Minneapolis, Minnesota, Health Care System, Revenue Refunding Bonds (Fairview Health Services), Series B, 6.50%, 11/15/38 (b)	4,265	4,504,778
			8,156,086
<b>Nebraska - 0.6%</b>	Washington County, Nebraska, Wastewater Facilities Revenue Bonds (Cargill, Inc. Project), AMT, 5.90%, 11/01/27	2,300	2,204,205
<b>Nevada - 7.6%</b>	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series A, 5.50%, 9/01/33 (i)	4,100	2,826,909
	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2, 5%, 7/01/30 (a)(g)	2,000	1,796,060
	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2, 5%, 7/01/36 (a)(g)	19,100	16,453,695
	Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT, Series A, 4.75%, 9/01/36 (g)	45	26,302
	Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT, Series D, 5.25%, 3/01/38 (a)(g)	12,000	7,800,240