

BLACKROCK MUNIYIELD NEW YORK QUALITY FUND, INC.

Form N-CSRS

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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06500

Name of Fund: BlackRock MuniYield New York Quality Fund, Inc. (MYN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2012

Date of reporting period: 01/31/2012

Item 1 – Report to Stockholders

January 31, 2012

Semi-Annual Report (Unaudited)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

BlackRock MuniYield California Quality Fund, Inc. (MCA)

BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM)

BlackRock MuniYield New York Quality Fund, Inc. (MYN)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

Not FDIC Insured § No Bank Guarantee § May Lose Value

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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 (S&P 500® Index)	2.71%	4.22%
US small cap equities (Russell 2000® Index)	0.22	2.86
International equities (MSCI Europe, Australasia,	(10.42)	(9.59)

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Far East Index)		
Emerging market equities (MSCI Emerging Markets Index)	(9.56)	(6.64)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.02	0.09
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	10.81	18.49
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	4.25	8.66
Tax-exempt municipal bonds (S&P Municipal Bond Index)	7.25	14.40
US high yield bonds (Barclays Capital US Corporate High Yield 2% 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

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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.

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

Fund Summary as of January 31, 2012

BlackRock MuniHoldings Quality Fund II, Inc.**Fund Overview**

BlackRock MuniHoldings Quality Fund II, Inc. s (MUE) (the Fund) investment objective is to provide shareholders with current income exempt from federal 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). 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 22.02% based on market price and 15.78% based on net asset value (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 moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As 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.

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)	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of January 31, 2012 (\$14.72) ¹	5.99%
Tax Equivalent Yield ²	9.22%
Current Monthly Distribution per Common Share ³	\$0.0735
Current Annualized Distribution per Common Share ³	\$0.8820
Economic Leverage as of January 31, 2012 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 federal tax rate of 35%.

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

⁴ Represents Variable Rate Muni Term Preferred Shares (VMTP Shares) 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 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 10.

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	\$14.72	\$12.46	18.14%	\$14.79	\$11.45
Net Asset Value	\$14.65	\$13.07	12.09%	\$14.65	\$13.07

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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	31%	26%
Transportation	25	19
Utilities	20	23
Health	9	9
State	9	9
Education	2	2
Housing	2	2
Corporate	1	9
Tobacco	1	1

Credit Quality Allocations⁵

	1/31/12	7/31/11
AAA/Aaa	11%	16%
AA/Aa	69	62
A	19	18
BBB/Baa	6	3
BB/Ba	6	1
B	1	

⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

⁶ Amount rounds to less than 1%.

Fund Summary as of January 31, 2012

BlackRock MuniYield California Quality Fund, Inc.**Fund Overview**

BlackRock MuniYield California Quality Fund, Inc. s (MCA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and California 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 California 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 21.86% based on market price and 15.68% based on 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.

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Fund Information

Symbol on NYSE	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of January 31, 2012 (\$15.36) ¹	5.74%
Tax Equivalent Yield ²	8.83%
Current Monthly Distribution per Common Share ³	\$0.0735
Current Annualized Distribution per Common Share ³	\$0.8820
Economic Leverage as of January 31, 2012 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 federal tax rate of 35%.

³ The Monthly Distribution per Common Share, declared on March 1, 2012, was increased to \$0.0760 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.

⁴ 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 10.

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	\$ 15.36	\$ 13.00	18.15%	\$ 15.40	\$ 12.60
Net Asset Value	\$ 16.05	\$ 14.31	12.16%	\$ 16.05	\$ 14.31

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	47%	45%
Utilities	25	28
Education	10	10
Transportation	8	8
Health	7	4
State	3	1
Corporate	5	4
Housing	5	

⁵ Amount rounds to less than 1%.

Credit Quality Allocations⁶

	1/31/12	7/31/11
AAA/Aaa	10%	11%
AA/Aa	79	79
A	10	10
BBB/Baa	1	

⁶ Using the higher of S&P's or Moody's ratings.

Fund Summary as of January 31, 2012

BlackRock MuniYield Michigan Quality Fund II, Inc.**Fund Overview**

BlackRock MuniYield Michigan Quality Fund II, Inc. s (MYM) (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 27.51% based on market price and 13.36% 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 moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. 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.

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Fund Information

Symbol on NYSE	MYM
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of January 31, 2012 (\$15.16) ¹	5.66%
Tax Equivalent Yield ²	8.71%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of January 31, 2012 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 federal tax rate of 35%.

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

⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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
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Market Price	\$ 15.16	\$ 12.28	23.45%	\$ 15.16	\$ 12.17
Net Asset Value	\$ 14.85	\$ 13.53	9.76%	\$ 14.85	\$ 13.53

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	24%	23%
Health	17	14
State	16	11
Utilities	15	17
Education	12	9
Transportation	8	11
Housing	4	4
Corporate	4	11

Credit Quality Allocations⁵

	1/31/12	7/31/11
AAA/Aaa	2%	2%
AA/Aa	74	69
A	20	24
BBB/Baa	2	3
Not Rated ⁶	2	2

⁵ Using the higher of S&P's or Moody's ratings.

⁶ 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 \$2,665,600, representing 1%, and \$5,295,911, representing 2%, respectively, of the Fund's long-term investments.

Fund Summary as of January 31, 2012

BlackRock MuniYield New York Quality Fund, Inc.

Fund Overview

BlackRock MuniYield New York Quality Fund, Inc. s (MYN) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New York State and New York City personal 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 New York State and New York City 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 18.96% based on market price and 13.13% based on NAV. For the same period, the closed-end Lipper New York Municipal Debt Funds category posted an average return 17.53% based on market price and 11.32% 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. Additionally, the Fund benefited from its long duration bias (greater sensitivity to interest rate movements) as overall interest rates declined. The Fund s heavy exposures to transportation and education, which were among the better performing sectors for the period, had a positive impact on performance.

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	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of January 31, 2012 (\$14.53) ¹	5.86%
Tax Equivalent Yield ²	9.02%
Current Monthly Distribution per Common Share ³	\$0.071
Current Annualized Distribution per Common Share ³	\$0.852
Economic Leverage as of January 31, 2012 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 federal tax rate of 35%.

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

⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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	\$ 14.53	\$ 12.60	15.32%	\$ 14.59	\$ 12.10
Net Asset Value	\$ 14.74	\$ 13.44	9.67%	\$ 14.74	\$ 13.44

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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	29%	28%
Transportation	27	29
Education	12	11
Utilities	9	8
State	9	11
Health	8	5
Housing	3	3
Corporate	2	4
Tobacco	1	1

Credit Quality Allocations⁵

	1/31/12	7/31/11
AAA/Aaa	13%	12%
AA/Aa	54	54
A	23	21
BBB/Baa	9	10
BB/Ba	1	2
Not Rated		1 ₆

⁵ Using the higher of S&P's or Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011, the market value of these securities was \$3,909,236, representing 1% of the Fund's long-term investments.

Fund Summary as of January 31, 2012

BlackRock MuniYield Quality Fund III, Inc.

Fund Overview

BlackRock MuniYield Quality Fund III, Inc. s (MYI) (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 26.48% based on market price and 16.31% 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 moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. 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	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of January 31, 2012 (\$14.91) ¹	5.79%
Tax Equivalent Yield ²	8.91%
Current Monthly Distribution per Common Share ³	\$0.072
Current Annualized Distribution per Common Share ³	\$0.864
Economic Leverage as of January 31, 2012 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 federal tax rate of 35%.

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

⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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	\$ 14.91	\$ 12.17	22.51%	\$ 14.93	\$ 11.86
Net Asset Value	\$ 14.86	\$ 13.19	12.66%	\$ 14.86	\$ 13.19

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
Transportation	27%	27%
County/City/Special District/School District	21	24
Utilities	18	17
State	11	10
Education	9	9
Health	8	7
Housing	5	5
Corporate	1	1

Credit Quality Allocations⁵

	1/31/12	7/31/11
AAA/Aaa	10%	7%
AA/Aa	66	65
A	21	21
BBB/Baa	3	3
Not Rated		4 ₆

⁵ Using the higher of S&P's or Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011, the market value of these securities was \$20,992,023, representing 1% of the Fund's long-term investments.

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 Variable Rate Demand Preferred Shares (VRDP Shares) or Variable Rate Muni Term Preferred Shares (VMTP Shares) and previously issued and had outstanding Auction Market Preferred Shares (AMPS) (VRDP Shares, VMTP Shares, and as applicable AMPS, are collectively referred to as 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 the 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 45% of its total managed assets. 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 Leverage
MUE	38%

MCA	39%
MYM	35%
MYN	38%
MYI	37%

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.

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Schedule of Investments January 31, 2012 (Unaudited)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 3.1%		
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	\$ 5,225	\$ 5,992,552
County of Jefferson Alabama, RB, Series A, 5.50%, 1/01/22	3,580	3,279,889
Selma Industrial Development Board, RB, International Paper Co. Project, Series A, 5.38%, 12/01/35	940	982,657
		10,255,098
California 16.0%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	5,050	5,679,785
California Health Facilities Financing Authority, RB: Scripps Health, Series A, 5.00%, 11/15/40 (a)	415	445,880
Sutter Health, Series B, 6.00%, 8/15/42	2,865	3,300,594
City of San Jose California Airport, RB, Series A-1, AMT, 5.50%, 3/01/30	4,045	4,397,158
City of Sunnyvale California, Refunding RB, 5.25%, 4/01/40	2,800	3,172,960
County of Sacramento California, RB, Senior Series A (AGC), 5.50%, 7/01/41	3,500	3,808,875
Emery Unified School District, GO, Election of 2010, Series A (AGM), 5.50%, 8/01/35	1,875	2,111,269
Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	5,000	5,469,050
Election of 2008, Series C, 5.25%, 8/01/39	2,500	2,864,750
Oceanside Unified School District California, GO, Series A (AGC), 5.25%, 8/01/33	3,175	3,534,537
Port of Oakland, Refunding RB, Series M, AMT (NPFGC), 5.38%, 11/01/27	2,220	2,249,504
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34	2,670	3,121,951
Roseville Joint Union High School District California, GO, Election of 2004, Series A (NPFGC), 5.00%, 8/01/29	2,985	3,206,099
San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33	2,165	2,590,444
Municipal Bonds		
California (concluded)		
San Francisco City & County Airports Commission, RB, Specialty Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	\$ 1,250	\$ 1,253,350
State of California, GO, Refunding, Veterans, Series BZ, AMT (NPFGC), 5.35%, 12/01/21	10	10,017
	2,430	1,778,566

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Stockton Public Financing Authority California, RB, Redevelopment Projects, Series A (Radian), 5.25%, 9/01/34		
Ventura County Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/33	3,175	3,632,517
		52,627,306
Colorado 1.5%		
Colorado Health Facilities Authority, RB, Hospital, NCCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26	3,300	3,902,415
Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior Series A-2, AMT, 7.50%, 4/01/31	120	121,760
Regional Transportation District, COP, Series A, 5.00%, 6/01/25	765	864,756
		4,888,931
Florida 11.3%		
City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/26	2,000	2,397,380
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	2,500	2,700,300
County of Miami-Dade Florida, RB, Miami International Airport, Series A, AMT (AGM): 5.25%, 10/01/41	4,610	4,806,939
5.50%, 10/01/41	4,180	4,418,177
Jacksonville Port Authority, RB, AMT (AGC), 6.00%, 11/01/38	3,625	3,679,665
Orange County Health Facilities Authority, RB, The Nemours Foundation Project, Series A, 5.00%, 1/01/29	2,540	2,790,190
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34	7,600	8,462,524
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36	6,965	7,895,872
		37,151,047

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:

ACA	American Capital Access Corp.
AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.
BOCES	Board of Cooperative Educational Services
CAB	Capital Appreciation Bonds
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
GAB	Grant Anticipation Bonds
GAN	Grant Anticipation Notes
GO	General Obligation Bonds
HDA	Housing Development Authority

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HFA	Housing Finance Agency
HRB	Housing Revenue Bonds
IDRB	Industrial Development Revenue Bonds
ISD	Independent School District
LRB	Lease Revenue Bonds
MRB	Mortgage Revenue Bonds
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
PSF-GTD	Permanent School Fund Guaranteed
Q-SBLF	Qualified School Bond Loan Fund
RB	Revenue Bonds
S/F	Single-Family
SONYMA	State of New York Mortgage Agency
Syncora	Syncora Guarantee
XLCA	XL Capital Assurance, Inc.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

JANUARY 31, 2012

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Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Idaho 0.1%		
Idaho Housing & Finance Association, RB, S/F Mortgage, Series E, AMT, 6.00%, 1/01/32	\$ 230	\$ 232,203
Illinois 14.3%		
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	1,205	1,468,473
Chicago Board of Education Illinois, GO, Series A: 5.50%, 12/01/39	3,405	3,858,137
5.00%, 12/01/41	7,455	7,981,249
City of Chicago Illinois, RB: O Hare International Airport, General, Third Lien, Series C (AGM), 5.25%, 1/01/35	2,030	2,232,472
Sales Tax, Series A, 5.25%, 1/01/38	1,310	1,477,235
Series A, 5.75%, 1/01/39	2,000	2,282,800
City of Chicago Illinois, Refunding RB, General, Third Lien, Series C, 6.50%, 1/01/41	9,085	10,978,677
City of Chicago Illinois Transit Authority, RB: Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26	3,400	4,032,502
Sales Tax Receipts, 5.25%, 12/01/36	1,060	1,185,080
Sales Tax Receipts, 5.25%, 12/01/40	3,135	3,496,748
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	2,350	2,681,162
6.00%, 6/01/28	670	751,284
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28	4,000	4,551,440
		46,977,259
Indiana 5.3%		
Indiana Finance Authority WasteWater Utility, RB, Series A, 5.25%, 10/01/31	3,225	3,721,521
Indiana Municipal Power Agency, RB, Series A (NPFGC), 5.00%, 1/01/42	6,300	6,641,712
Indianapolis Local Public Improvement Bond Bank, RB, Series K, 5.00%, 6/01/25	3,720	4,284,324
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,370	2,657,339
		17,304,896
Iowa 0.6%		
Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29	1,710	1,890,747
Kansas 0.4%		
Sedgwick & Shawnee Counties Kansas, MRB, Series A-2, AMT (Ginnie Mae), 6.20%, 12/01/33	1,130	1,147,538
Michigan 7.2%		
City of Detroit Michigan, RB, Series B: Second Lien (NPFGC), 5.50%, 7/01/29	4,170	4,688,415
Senior Lien (AGM), 7.50%, 7/01/33	1,330	1,678,793
City of Detroit Michigan, Refunding RB, Senior Lien: Series C-1 (AGM), 7.00%, 7/01/27	4,180	5,177,557

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Series C-2 (BHAC), 5.25%, 7/01/29	1,860	2,071,556
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	3,420	3,806,323
Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC):		
5.25%, 10/15/24	1,440	1,674,374
5.25%, 10/15/25	750	868,140

	Par (000)	Value
Municipal Bonds		
Michigan (concluded)		
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	\$ 3,115	\$ 3,852,071
		23,817,229
Minnesota 0.7%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	1,975	2,331,448
Nevada 4.6%		
Clark County Water Reclamation District, GO, Series A, 5.25%, 7/01/34	3,210	3,605,280
County of Clark Nevada, RB:		
Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	4,565	4,977,904
Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/36	6,520	6,691,215
		15,274,399
New Jersey 7.3%		
New Jersey EDA, RB, Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33	11,000	11,801,350
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38	3,400	3,722,116
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A, 5.50%, 6/15/41	3,030	3,476,592
Series A (AGC), 5.63%, 12/15/28	2,930	3,382,685
Series B, 5.25%, 6/15/36	1,500	1,687,725
		24,070,468
New York 6.5%		
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	940	1,062,209
New York City Municipal Water Finance Authority, RB, Second General Resolution:		
Fiscal 2009, Series EE, 5.25%, 6/15/40	6,930	7,726,049
Fiscal 2011, Series EE, 5.38%, 6/15/43	2,220	2,538,659
Fiscal 2012, Series BB, 5.00%, 6/15/44	2,500	2,784,150
New York City Transitional Finance Authority, RB:		
Fiscal 2009, Series S-3, 5.25%, 1/15/39	2,300	2,543,547
Sub-Series S-2A, 5.00%, 7/15/30	4,045	4,672,461
		21,327,075
North Carolina 0.3%		
North Carolina HFA, RB, Home Ownership, Series 14A, AMT (AMBAC), 5.35%, 1/01/22	920	921,086
Pennsylvania 1.6%		
Delaware River Port Authority, RB, Series D (AGM), 5.00%, 1/01/40	3,000	3,241,920
Philadelphia Hospitals & Higher Education Facilities Authority, RB, Children s Hospital, Series D, 5.00%, 7/01/32	1,940	2,148,705
		5,390,625

Puerto Rico 1.2%

Puerto Rico Sales Tax Financing Corp., RB, First

Sub-Series A, 6.38%, 8/01/39

3,500

4,085,865

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

JANUARY 31, 2012

Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
South Carolina 5.8%		
South Carolina State Housing Finance & Development Authority, Refunding RB, Series A-2, AMT (AGM), 6.35%, 7/01/19	\$ 140	\$ 141,940
South Carolina State Public Service Authority, RB, Series A:		
(AMBAC), 5.00%, 1/01/42	15,000	16,141,200
Santee Cooper, 5.50%, 1/01/38	2,500	2,842,550
		19,125,690
Texas 20.4%		
City of Austin Texas, Refunding RB, Series A (AGM):		
5.00%, 11/15/28	1,795	2,064,483
5.00%, 11/15/29	2,270	2,584,508
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35	6,700	8,074,974
Clifton Higher Education Finance Corp., Refunding RB, Baylor University, 5.25%, 3/01/32	3,120	3,596,705
Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38	5,655	6,295,146
Harris County Cultural Education Facilities Finance Corp., RB, Children s Hospital Project, 5.25%, 10/01/29	2,080	2,378,418
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.25%, 12/01/35	1,000	1,189,940
Lubbock Cooper ISD Texas, GO, School Building (AGC), 5.75%, 2/15/42	1,250	1,412,463
North Texas Tollway Authority, RB:		
First Tier, Series K-2 (AGC), 6.00%, 1/01/38	1,000	1,138,540
Special Projects System, Series A, 5.50%, 9/01/41	7,880	9,111,802
North Texas Tollway Authority, Refunding RB, System, First Tier (NPFGC):		
Series A, 5.63%, 1/01/33	10,975	12,069,756
Series A, 5.75%, 1/01/40	11,575	12,556,328
Series B, 5.75%, 1/01/40	1,000	1,084,780
Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37	3,000	3,464,820
		67,022,663
Utah 0.8%		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	2,500	2,691,625
Virginia 0.8%		
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35	2,195	2,596,400
Washington 1.5%		
City of Seattle Washington, Refunding RB, Series A, 5.25%, 2/01/36	2,400	2,759,832
State of Washington, GO, Various Purpose, Series B, 5.25%, 2/01/36	1,865	2,157,190

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	4,917,022
Total Municipal Bonds 111.3%	366,046,620

Municipal Bonds Transferred to Tender Option Bond Trusts (b)	Par (000)	Value
Alabama 1.2%		
Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31	\$ 3,750	\$ 3,978,075
California 3.4%		
City of San Jose California, GO, Libraries, Parks, and Public Safety Project (NPFGC), 5.00%, 9/01/30	3,805	4,002,888
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30	1,486	1,629,450
Sequoia Union High School District California, GO, Election of 2004, Series B (AGM), 5.50%, 7/01/35	5,189	5,654,559
		11,286,897
Colorado 3.0%		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-3 (AGM), 5.10%, 10/01/41	9,410	9,902,049
District of Columbia 0.7%		
District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35	1,700	2,123,765
Florida 7.1%		
City of St. Petersburg Florida, Refunding RB (NPFGC), 5.00%, 10/01/35	6,493	6,802,189
County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 6.00%, 7/01/38	12,500	14,359,125
Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	2,115	2,260,660
		23,421,974
Georgia 2.1%		
Augusta-Richmond County Georgia, Water & Sewer, RB (AGM), 5.25%, 10/01/34	6,290	6,828,361
Illinois 6.1%		
Chicago Illinois O Hare International Airport, RB, Series A, 5.00%, 1/01/38	15,000	15,891,375
City of Chicago Illinois, Refunding RB, Second Lien (AGM), 5.25%, 11/01/33	3,969	4,310,862
		20,202,237
Kentucky 0.8%		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	2,304	2,656,814
Massachusetts 3.5%		
Massachusetts School Building Authority, RB: Dedicated Sales Tax, Senior Series B, 5.00%, 10/15/41	5,080	5,760,364
Series A (AGM), 5.00%, 8/15/30	4,994	5,576,010
		11,336,374
Nevada 6.5%		
Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38	10,000	11,700,800
Series B, 5.50%, 7/01/29	8,247	9,699,478
		21,400,278
New Jersey 1.3%		
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	3,941	4,227,388

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

JANUARY 31, 2012

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Schedule of Investments (concluded)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds Transferred to Tender Option Bond Trusts (b)		
New York 6.4%		
New York Liberty Development Corp., RB:		
1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	\$ 7,515	\$ 8,537,265
4 World Trade Center Project, 5.75%, 11/15/51	4,400	5,006,892
Sales Tax Asset Receivable Corp., RB, Series A (AMBAC), 5.25%, 10/15/27	6,751	7,449,442
		20,993,599
Puerto Rico 1.0%		
Puerto Rico Sales Tax Financing Corp., RB, Sales Tax, Series C, 5.25%, 8/01/40		
	3,020	3,353,740
Washington 2.3%		
City of Bellevue Washington, GO, Refunding (NPFGC), 5.50%, 12/01/39		
	6,883	7,676,150
Total Municipal Bonds Transferred to Tender Option Bond Trusts		45.4%
		149,387,701
Total Long-Term Investments		
(Cost \$472,315,149)		156.7%
		515,434,321
Short-Term Securities		
	Shares	
FFI Institutional Tax-Exempt Fund, 0.01% (c)(d)	11,617,912	11,617,912
Total Short-Term Securities		11,617,912
(Cost \$11,617,912)		3.6%
Total Investments (Cost \$483,933,061)		160.3%
		527,052,233
Other Assets Less Liabilities		1.9%
		6,180,292
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable		(22.4)%
		(73,390,506)
VMTP Shares, at Liquidation Value		(39.8)%
		(131,000,000)
Net Assets Applicable to Common Shares		100.0%
		\$ 328,842,019

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

Counterparty	Value	Unrealized Appreciation
JPMorgan Securities	\$ 445,880	\$ 4,486

(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:

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Affiliate	Shares Held at July 31, 2011	Net Activity	Shares Held at January 31, 2012	Income
FFI Institutional Tax-Exempt Fund	13,223,965	(1,606,053)	11,617,912	\$ 583

(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 Value	Unrealized Depreciation
111	10-Year US Treasury Note	Chicago Board of Trade	March 2012	\$ 14,679,750	\$ (194,461)

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
Assets:				
Investments:				
Long-Term Investments ¹		\$ 515,434,321		\$ 515,434,321
Short-Term Securities	\$ 11,617,912			11,617,912
Total	\$ 11,617,912	\$ 515,434,321		\$ 527,052,233

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

Valuation Inputs	Level 1	Level 2	Level 3	Total

Derivative Financial
Instruments²

Liabilities:

Interest rate contracts	\$	(194,461)	\$	(194,461)
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² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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Schedule of Investments January 31, 2012 (Unaudited)

BlackRock MuniYield California Quality Fund, Inc. (MCA)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
California 88.4%		
Corporate 0.5%		
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	\$ 2,435	\$ 2,818,001
County/City/Special District/ School District 37.1%		
Bay Area Governments Association, Refunding RB, California Redevelopment Agency Pool, Series A (AGM), 6.00%, 12/15/24	255	259,610
California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.13%, 11/01/29	2,035	2,378,182
Chabot-Las Positas Community College District, GO, CAB, Series C (AMBAC), 6.03%, 8/01/37 (a)	10,000	2,399,200
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	2,000	2,318,820
Desert Community College District, GO, CAB, Election of 2004, Series C (AGM), 5.90%, 8/01/46 (a)	5,000	712,050
Fairfield-Suisun Unified School District California, GO, Election of 2002 (NPFGC), 5.50%, 8/01/28	2,500	2,715,525
Fremont Unified School District Alameda County California, GO, Series A (NPFGC), 5.50%, 8/01/26	10,755	11,148,418
Fresno Joint Powers Financing Authority California, RB, Series A (AGM), 5.75%, 6/01/26	3,295	3,310,717
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40	2,500	2,972,250
Grossmont Union High School District, GO, Election of 2008, Series C, 5.50%, 8/01/33	1,855	2,210,511
Lodi Unified School District, GO, Election of 2002 (AGM), 5.00%, 8/01/29	5,000	5,245,950
Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27	10,000	10,559,100
Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior Series A (AMBAC), 5.00%, 7/01/27	5,240	5,692,317
Los Angeles Municipal Improvement Corp., Refunding RB, Real Property, Series B (AGC), 5.50%, 4/01/39	2,015	2,220,067
Merced Union High School District, GO, CAB, Election of 2008, Series C (a):		
6.61%, 8/01/33	2,500	781,875
6.40%, 8/01/36	4,000	1,044,120
7.07%, 8/01/41	5,000	739,350
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
Ohlone Community College District, GO, Election of 2010, Series A, 5.25%, 8/01/41	8,140	9,205,607
	2,500	2,770,300

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Orange County Sanitation District, COP, Series A, 5.00%, 2/01/35		
Orange County Water District, COP, Refunding, 5.25%, 8/15/34	9,045	10,356,435
Orchard School District California, GO, Election of 2001, Series A (AGC), 5.00%, 8/01/34	7,490	8,350,975
Oxnard Union High School District California, GO, Refunding, Series A (NPFGC), 6.20%, 8/01/30	9,645	10,719,164
	Par	Value
	(000)	
Municipal Bonds		
California (continued)		
County/City/Special District/ School District (concluded)		
Pittsburg Unified School District, GO, Election of 2006, Series B (AGM):		
5.50%, 8/01/34	\$ 2,000	\$ 2,263,020
5.63%, 8/01/39	4,500	5,076,720
Port of Oakland, Refunding RB, Series M (NPFGC), 5.38%, 11/01/27	5,000	5,066,450
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,559,550
Sacramento Area Flood Control Agency, Special Assessment Bonds, Refunding, Consolidated, Capital Assessment District, Series A (NPFGC), 5.00%, 10/01/32	4,350	4,724,492
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/27	4,315	4,841,818
San Diego Community College District California, GO, Election of 2006 (AGM), 5.00%, 8/01/32	7,115	7,850,549
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/38	4,895	5,272,405
San Jose Financing Authority, RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32	11,400	11,460,990
San Jose Financing Authority, RB, Convention Center Expansion & Renovation Project:		
5.75%, 5/01/36	2,570	2,752,290
5.75%, 5/01/42	4,500	5,114,745
San Juan Unified School District, GO, Election of 2002 (AGM), 5.00%, 8/01/34	6,475	7,183,753
San Leandro Unified School District California, GO, Election of 2010, Series A, 5.75%, 8/01/41	3,000	3,481,020
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,600	6,372,688
Walnut Valley Unified School District, GO, Election of 2007, Series B, 5.75%, 8/01/41	7,680	8,911,411
West Contra Costa Unified School District California, GO:		
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	6,140	6,803,059
Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39	4,300	5,156,732
		204,536,516
Education 5.1%		
Anaheim City School District California, GO, Election of 2010 (AGM), 6.25%, 8/01/40	3,750	4,520,100
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%,	4,220	4,746,276

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10/01/38		
California Municipal Finance Authority, RB, Emerson		
College, 6.00%, 1/01/42	2,500	2,769,775
Gavilan Joint Community College District, GO,		
Election of 2004, Series D:		
5.50%, 8/01/31	2,165	2,607,548
5.75%, 8/01/35	8,400	9,991,128
Rio Hondo Community College District California,		
GO, CAB, Election of 2004, Series C, 5.35%,		
8/01/37 (a)	12,005	3,313,140
		27,947,967

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

JANUARY 31, 2012

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Schedule of Investments (continued)

BlackRock MuniYield California Quality Fund, Inc. (MCA)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
California (continued)		
Health 10.7%		
ABAG Finance Authority for Nonprofit Corps, Refunding RB, Sharp Healthcare, Series A, 6.00%, 8/01/30	\$ 2,250	\$ 2,713,410
California Health Facilities Financing Authority, RB: Cedars-Sinai Medical Center, 5.00%, 8/15/34	2,550	2,689,052
Providence Health Services, Series B, 5.50%, 10/01/39	4,105	4,536,394
Sutter Health, Series A, 5.25%, 11/15/46	8,000	8,337,920
California Health Facilities Financing Authority, Refunding RB: Catholic Healthcare West, Series A, 6.00%, 7/01/34	2,130	2,457,083
Catholic Healthcare West, Series A, 6.00%, 7/01/39	5,500	6,256,415
Sutter Health, Series B, 6.00%, 8/15/42	7,715	8,887,989
California Statewide Communities Development Authority, RB: Health Facility, Memorial Health Services, Series A, 6.00%, 10/01/23	3,685	3,829,636
Kaiser Permanente, Series B, 5.25%, 3/01/45	3,800	3,932,278
Sutter Health, Series A, 6.00%, 8/15/42	4,085	4,706,083
California Statewide Communities Development Authority, Refunding RB: Catholic Healthcare West, Series D (BHAC) 5.50%, 7/01/31	865	938,110
Trinity Health Credit Group, 5.00%, 12/01/41	5,000	5,369,250
City of Newport Beach California, RB, Hoag Memorial Hospital Presbyterian, 6.00%, 12/01/40	3,825	4,551,406
		59,205,026
Housing 0.1%		
California Rural Home Mortgage Finance Authority, RB, Mortgage-Backed Securities Program, AMT (Ginnie Mae): Series A, 6.35%, 12/01/29 (b)	70	72,234
Series B, 6.25%, 12/01/31	50	50,539
County of San Bernardino California, Refunding RB, Home Mortgage-Backed Securities, Series A-1, AMT (Ginnie Mae), 6.25%, 12/01/31	95	103,702
		226,475
State 4.5%		
California State Public Works Board, RB, Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,234,079
State of California, GO, Various Purpose: 6.00%, 3/01/33	7,000	8,314,740
6.00%, 4/01/38	7,000	8,124,410
6.00%, 11/01/39	3,375	3,953,171
		24,626,400
Transportation 13.3%		

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City of San Jose California, RB, Series A-1, AMT, 6.25%, 3/01/34	1,400	1,614,816
County of Orange California, RB, Series B, 5.75%, 7/01/34	5,000	5,626,700
Senior Series B, AMT (AGM), 5.25%, 7/01/33	7,500	7,986,375
Subordinated and Passenger Facility Charges/ Grant, Series C (AGC), 5.75%, 7/01/39	5,455	6,013,046

	Par (000)	Value
Municipal Bonds		
California (concluded)		
Transportation (concluded)		
Los Angeles Department of Airports, RB, Los Angeles International Airport, Senior Series A:		
5.25%, 5/15/29	\$ 3,760	\$ 4,291,514
5.00%, 5/15/35	2,945	3,284,971
5.25%, 5/15/39	2,785	3,099,789
Los Angeles Harbor Department, RB, Series B:		
5.25%, 8/01/34	5,530	6,284,568
5.25%, 8/01/39	2,480	2,781,494
San Diego County Regional Airport Authority, RB, Series B, 5.00%, 7/01/40	6,350	6,790,436
San Francisco City & County Airports Commission, RB:		
Series E, 6.00%, 5/01/39	9,650	11,182,420
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	1,000	1,002,680
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.13%, 1/01/27	985	987,009
San Francisco City & County Airports Commission, Refunding RB, Second Series 34E, AMT (AGM):		
5.75%, 5/01/24	5,000	5,723,800
5.75%, 5/01/25	3,500	3,971,415
San Joaquin County Transportation Authority, RB, Limited Tax, Series A, 6.00%, 3/01/36	2,400	2,881,968
		73,523,001
Utilities 17.1%		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36	5,000	5,759,150
City of Los Angeles California, Refunding RB, Sub-Series A:		
5.00%, 6/01/28	2,000	2,328,160
5.00%, 6/01/32	3,000	3,408,570
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41	4,000	4,739,200
East Bay Municipal Utility District, RB, Series A (NPFGC), 5.00%, 6/01/37	4,000	4,598,280
East Bay Municipal Utility District, Refunding RB, Sub-Series A:		
5.00%, 6/01/30	5,000	5,943,200
(AMBAC), 5.00%, 6/01/33	4,125	4,524,383
Imperial Irrigation District, Refunding RB, Electric System, Series B, 5.13%, 11/01/38	5,500	5,872,570
Los Angeles Department of Water & Power, RB:		
5.25%, 7/01/39	8,000	9,163,040
5.00%, 7/01/41	7,500	8,342,925
Power System, Series A, Sub Series A-2 (NPFGC), 5.00%, 7/01/27	16,000	16,681,760
Oxnard Financing Authority, RB, Redwood Trunk Sewer & Headworks, Series A (NPFGC), 5.25%, 6/01/34	9,750	10,436,302

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San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A, 5.25%, 5/15/34	1,000	1,136,460
San Francisco City & County Public Utilities Commission, RB, Sub-Series A, 5.00%, 11/01/37	10,000	11,317,800
Total Municipal Bonds in California		94,251,800
		487,135,186

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

JANUARY 31, 2012

Schedule of Investments (continued)

BlackRock MuniYield California Quality Fund, Inc. (MCA)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Puerto Rico 0.5%		
State 0.5%		
Puerto Rico Sales Tax Financing Corp., RB, CAB, Senior Series C, 6.00%, 8/01/39 (a)	\$ 12,420	\$ 2,892,245
Total Municipal Bonds in Puerto Rico		2,892,245
Total Municipal Bonds 88.9%		490,027,431
Municipal Bonds Transferred to Tender Option Bond Trusts (c)		
California 72.3%		
County/City/Special District/ School District 38.7%		
Arcadia Unified School District California, GO, Election of 2006, Series A (AGM), 5.00%, 8/01/37	7,925	8,432,275
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	12,150	12,954,451
Fremont Unified School District Alameda County California, GO, Election of 2002, Series B (AGM), 5.00%, 8/01/30	15,997	17,268,200
Los Angeles Community College District California, GO: Election of 2001, Series A (AGM), 5.00%, 8/01/32	12,000	13,125,720
Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	26,438	28,917,619
Election of 2003, Series E (AGM), 5.00%, 8/01/31	7,497	8,098,213
Election of 2003, Series F-1, 5.00%, 8/01/33	12,000	13,236,360
Election of 2008, Series A, 6.00%, 8/01/33	9,596	11,537,726
Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior Series A (AMBAC), 5.00%, 7/01/35	6,828	7,519,960
Los Angeles County Sanitation Districts Financing Authority, Refunding RB, Capital Project 14 (BHAC), 5.00%, 10/01/34	4,998	5,283,704
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,499,750
Ohlone Community College District, GO, Series B (AGM), 5.00%, 8/01/30	19,998	21,420,560
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30	10,000	10,875,600
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	7,550	8,370,006
San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/30	7,350	7,804,010
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30	19,630	21,554,918
	10,497	11,526,464

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San Francisco Bay Area Transit Financing Authority,
Refunding RB, Series A (NPFGC), 5.00%, 7/01/34

213,425,536

Municipal Bonds Transferred to Tender Option Bond Trusts (c) California (concluded) Education 11.4%	Par (000)	Value
California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/35	\$ 20,000	\$ 20,973,000
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	12,127,610
University of California, RB: Limited Project, Series D (AGM), 5.00%, 5/15/41	8,000	8,536,000
Series L, 5.00%, 5/15/40	7,398	7,893,850
Series O, 5.75%, 5/15/34	11,190	13,166,713
		62,697,173
Utilities 22.2%		
City of Napa California, RB (AMBAC), 5.00%, 5/01/35	9,070	9,743,901
East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35	15,000	16,602,300
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37	7,990	8,640,785
Los Angeles Department of Water & Power, RB, Power System:		
Sub-Series A-1 (AGM), 5.00%, 7/01/31	5,007	5,342,213
Sub-Series A-1 (AGM), 5.00%, 7/01/37	13,525	14,573,028
Sub-Series A-1 (AMBAC), 5.00%, 7/01/37	5,029	5,419,003
Sub-Series A-2 (AGM), 5.00%, 7/01/35	7,500	8,007,075
Metropolitan Water District of Southern California, RB:		
Series A, 5.00%, 7/01/37	15,000	16,504,950
Series B-1 (NPFGC), 5.00%, 10/01/33	7,175	7,591,906
Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34	9,277	10,136,173
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33	8,510	9,205,692
San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31	10,000	10,582,600
		122,349,626
Total Municipal Bonds Transferred to Tender Option Bond Trusts 72.3%		398,472,335
Total Long-Term Investments (Cost \$824,423,644) 161.2%		888,499,766

Short-Term Securities	Shares	
BIF California Municipal Money Fund, 0.00% (d)(e)	12,391,222	12,391,222
Total Short-Term Securities (Cost \$12,391,222) 2.2%		12,391,222
Total Investments (Cost \$836,814,866) 163.4%		900,890,988
Other Assets Less Liabilities 1.1%		6,375,683
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (34.3)%		(189,300,981)
VRDP Shares, at Liquidation Value (30.2)%		(166,500,000)
Net Assets Applicable to Common Shares 100.0%		\$ 551,465,690

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

JANUARY 31, 2012

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Schedule of Investments (concluded)

BlackRock MuniYield California Quality Fund, Inc. (MCA)

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Variable rate security. Rate shown is as of report date.
- (c) 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.
- (d) 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 at July 31, 2011	Net Activity	Shares Held at January 31, 2012	Income
BIF California Municipal Money Fund	15,276,406	(2,885,184)	12,391,222	

- (e) 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
65	10-Year US Treasury Note	Chicago Board of Trade	March 2012	\$ 8,596,250	\$ (113,874)

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)

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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 Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 888,499,766		\$ 888,499,766
Short-Term Securities	\$ 12,391,222			12,391,222
Total	\$ 12,391,222	\$ 888,499,766		\$ 900,890,988

¹ See above Schedule of Investments for values in each sector.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ²				
Investments:				
Interest rate contracts	\$ (113,874)			\$ (113,874)

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

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

	Par (000)	Value
Municipal Bonds		
Michigan 129.2%		
Corporate 5.6%		
Delta County EDC, Refunding RB, Mead Westvaco- Escanaba, Series A, 6.25%, 4/15/12 (a)	\$ 2,420	\$ 2,450,201
Dickinson County EDC Michigan, Refunding RB, International Paper Co. Project, Series A, 5.75%, 6/01/16	2,500	2,531,650
Monroe County EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22		