

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

Form N-CSRS

April 05, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT  
COMPANIES**

Investment Company Act file number: 811-08573

Name of Fund: BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2019

Date of reporting period: 01/31/2019

Item 1 Report to Stockholders

JANUARY 31, 2019

**SEMI-ANNUAL REPORT (UNAUDITED)**

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

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

**BlackRock MuniYield Investment Quality Fund (MFT)**

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

**BlackRock MuniYield Pennsylvania Quality Fund (MPA)**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of each Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from BlackRock or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may elect to receive all future reports in paper free of charge. If you hold accounts directly with BlackRock, you can call Computershare at (800) 699-1236 to request that you continue receiving paper copies of your shareholder reports. If you hold accounts through a financial intermediary, you can follow the instructions included with this disclosure, if applicable, or contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. Please note that not all financial intermediaries may offer this service. Your election to receive reports in paper will apply to all funds advised by BlackRock Advisors, LLC or its affiliates, or all funds held with your financial intermediary, as applicable.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive electronic delivery of shareholder reports and other communications by contacting your financial intermediary, if you hold accounts through a financial intermediary. Please note that not all financial intermediaries may offer this service.

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

## The Markets in Review

Dear Shareholder,

In the 12 months ended January 31, 2019, concerns about a variety of political risks and a modest slowdown in global growth worked against the equity market, while the bond market delivered modest positive returns. Though the market's appetite for risk remained healthy for most of the reporting period, risk-taking declined sharply later in the reporting period. As a result, bonds held their value better than stocks, which posted negative returns across the globe. Shorter-term, higher-quality securities led the bond market, and U.S. equities outperformed most international stock markets.

Volatility rose in emerging market stocks, as the rising U.S. dollar and higher interest rates in the U.S. disrupted economic growth abroad. U.S.-China trade relations and debt concerns adversely affected the Chinese stock market, while Turkey and Argentina became embroiled in currency crises, largely due to hyperinflation in both countries. An economic slowdown in Europe also led to negative performance for European equities.

Volatility in the U.S. equity market spiked in October, as a wide range of risks were brought to bear on markets, ranging from rising interest rates and slowing global growth to heightened trade tensions and political turmoil in several countries, including the United States. These risks manifested in a broad based sell-off in December, leading to the worst December performance on record since 1931.

By comparison, fixed income securities delivered modest positive returns with relatively low volatility. In fixed income markets, short-term U.S. Treasury interest rates rose the fastest, while longer-term rates were relatively unchanged. This led to positive returns for U.S. Treasuries and a substantial flattening of the yield curve. Although the credit fundamentals in corporate markets remained relatively solid, investment-grade and high-yield bonds trailed U.S. Treasuries.

The U.S. Federal Reserve (the Fed) increased short-term interest rates four times during the reporting period. The Fed also continued to reduce its balance sheet, gradually reversing the unprecedented stimulus measures it enacted after the financial crisis. By our estimation, the Fed's neutral interest rate (the theoretical rate that is neither stimulative nor restrictive to the economy) is approximately 3.5%. The Fed funds rate is currently at 2.5%, which is stimulative to the economy. At its latest meeting in late January, the Fed left interest rates unchanged and signaled a slower pace of rate hikes in response to the global economic slowdown. Relatively low inflation gives the Fed room to maintain support for the economy until the economic data builds the case for changing interest rates.

Although fears of recession drove equity volatility higher at the end of 2018, we continue to believe the probability of recession in 2019 remains relatively low. Economic growth and global earnings are likely to slow somewhat in 2019 the tax cut stimulus will be less pronounced, and the Fed's rate hikes in 2018 will gain traction in 2019. Trade frictions look more baked into asset prices than a year ago, but markets may be overlooking European political risks. Consequently, we are cautious on European equities, as European unity remains tenuous with a history of flare-ups. We continue to prefer to take risk in U.S. and emerging market equities. Within U.S. equities, we believe that companies with high-quality earnings and strong balance sheets offer the most attractive risk/reward trade-off. We also favor short-term bonds over long-term bonds because they offer nearly equivalent yields with far lower volatility.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

**Total Returns as of January 31, 2019**

|  | <b>6-month</b> | <b>12-month</b> |
|--|----------------|-----------------|
| U.S. large cap equities<br>(S&P 500® Index)  | (3.00)%        | (2.31)%         |
| U.S. small cap equities<br>(Russell 2000® Index)   | (9.62)         | (3.52)          |
| International equities<br>(MSCI Europe, Australasia, Far East Index)                           | (7.80)         | (12.51)         |
| Emerging market equities<br>(MSCI Emerging Markets Index)                                      | (2.60)         | (14.24)         |
| 3-month Treasury bills<br>(ICE BofAML 3-Month U.S. Treasury Bill Index)                        | 1.10           | 1.95            |
| U.S. Treasury securities<br>(ICE BofAML 10-Year U.S. Treasury Index)                           | 4.20           | 3.21            |
| U.S. investment grade bonds<br>(Bloomberg Barclays U.S. Aggregate Bond Index)                  | 2.71           | 2.25            |
| Tax-exempt municipal bonds<br>(S&P Municipal Bond Index)                                       | 1.86           | 3.08            |
| U.S. high yield bonds<br>(Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index) | 1.07           | 1.73            |

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

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## Municipal Market Overview For the Reporting Period Ended January 31, 2019

**Municipal Market Conditions**

Municipal bonds experienced positive performance during the period, despite challenged total returns during most of 2018 as interest rates moved higher on the back of continued Fed policy normalization, fiscal stimulus, strong economic growth, and increased U.S. Treasury issuance. Performance turned particularly strong late in the year, with interest rates rallying as the Fed began to indicate a pivot from forecast based to data driven policy and the potential for a slower pace of future rate hikes. During the period, demand for the asset class remained firm, although displayed some bouts of volatility. Broadly, investors favored the tax-exempt income, diversification, quality, and value of municipal bonds given that tax reform ultimately lowered the top individual tax rate just 2.6% while eliminating deductions. During the 12 months ended January 31, 2019, municipal bond funds experienced net inflows of approximately \$2.7 billion (based on data from the Investment Company Institute).

For the same 12-month period, total new issuance underwhelmed from a historical perspective at \$315 billion (below the \$394 billion issued in the prior 12-month period), a direct result of the elimination of advanced refundings through the 2017 Tax Cuts and Jobs Act. This shift transitioned the market from an existing net positive supply environment to a much more favorable net negative supply environment in which reinvestment income (coupons, calls, and maturities) largely outstripped gross issuance and provided a powerful technical tailwind.

**A Closer Look at Yields**

S&P Municipal Bond Index  
Total Returns as of January 31, 2019  
6 months: 1.86%  
  
12 months: 3.08%

From January 31, 2018 to January 31, 2019, yields on AAA-rated 30-year municipal bonds increased by 11 basis points ( bps ) from 2.91% to 3.02%, while 10-year rates decreased by 18 bps from 2.35% to 2.17% and 5-year rates decreased by 7 bps from 1.83% to 1.76% (as measured by Thomson Municipal Market Data). The municipal yield curve was nearly unchanged over the 12-month period with the spread between 2- and 30-year maturities bear steepening just 1 bp, which is significant given that the corresponding U.S. Treasury curve bear flattened 26 bps. (Bear steepening is the widening of the yield curve caused by long-term rates increasing at a faster rate than short-term rates. Bear flattened is a yield-rate environment in which

short-term interest rates are increasing at a faster rate than long-term interest rates.) The municipal yield curve is now more than 2.5 times steeper than the U.S. Treasury curve.

During the same time period, on a relative basis, tax-exempt municipal bonds strongly outperformed U.S. Treasuries, driven by the front and intermediate portions of the yield curve. The relative positive performance of municipal bonds was driven largely by a supply/demand imbalance within the municipal market as investors sought income, incremental yield, and tax shelter in an environment where opportunities became increasingly scarce. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

### **Financial Conditions of Municipal Issuers**

The majority of municipal credits remain strong, despite well-publicized problems among a few issuers. Four of the five states with the largest amount of debt outstanding—California, New York, Texas and Florida—continue to exhibit improved credit fundamentals. However, several states with the largest unfunded pension liabilities are faced with elevated borrowing costs and difficult budgetary decisions. Across the country on the local level, property values support credit stability. Standard & Poor's recent decision to remove its negative outlook on New Mexico underscores the improvement in state finances as it was the only remaining state with the designation. Revenue bonds continue to drive performance as investors continue to seek higher yield bonds in the tobacco sector. BlackRock maintains the view that municipal bond defaults will remain minimal and in the periphery while the overall market is fundamentally sound. We continue to advocate careful credit research and believe that a thoughtful approach to structure and security selection remains imperative amid uncertainty in a modestly improving economic environment.

The opinions expressed are those of BlackRock as of January 31, 2019, and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of any individual holdings or market sectors. Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

The Standard & Poor's Municipal Bond Index, a broad, market value-weighted index, seeks to measure the performance of the U.S. municipal bond market. All bonds in the index are exempt from U.S. federal income taxes or subject to the AMT. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.



## The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the distribution rate on, and net asset value ( NAV ) of, their common shares ( Common Shares ). However, there is no guarantee that these objectives can be achieved in all interest rate environments.

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

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

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

The use of leverage also generally causes greater changes in each Fund's NAV, market price and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of a Fund's Common Shares than if the Fund were not leveraged. In addition, 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 the Fund to incur losses. The use of leverage may limit a Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund incurs expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares. Moreover, to the extent the calculation of the Funds' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Funds' investment adviser will be higher than if the Funds did not use leverage.

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

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

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

#### Derivative Financial Instruments

The Funds may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and 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 instrument. The Funds' successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Funds' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Fund Summary as of January 31, 2019

BlackRock MuniHoldings California Quality Fund, Inc.

**Fund Overview**

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

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

**Fund Information**

|   |                   |
|---|-------------------|
| Symbol on New York Stock Exchange ( NYSE )                                    | MUC               |
| Initial Offering Date   | February 27, 1998 |
| Yield on Closing Market Price as of January 31, 2019 (\$12.80) <sup>(a)</sup> | 4.45%             |
| Tax Equivalent Yield <sup>(b)</sup>   | 9.69%             |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                  | \$0.0475          |
| Current Annualized Distribution per Common Share <sup>(c)</sup>               | \$0.5700          |
| Economic Leverage as of January 31, 2019 <sup>(d)</sup>                       | 41%               |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal and state tax rate of 54.1%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

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

**Performance**

Returns for the six months ended January 31, 2019 were as follows:

|                       | Returns Based On |       |
|-----------------------|------------------|-------|
|                       | Market Price     | NAV   |
| MUC <sup>(a)(b)</sup> | 0.23%            | 0.71% |

Lipper California Municipal Debt Funds<sup>(c)</sup>

2.77

0.80

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Fund's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

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

After performing poorly through the first half of the period, municipal bonds recovered to post a positive total return for the full six months. The initial downturn was largely brought about by concerns that the Fed would raise interest rates aggressively in 2019. However, subsequent signs of slowing growth prompted investors to adjust their expectations in favor of more accommodative Fed policy, sparking a rally across the bond market from early November onward.

California municipal bonds lagged the national market. However, the state's debt gained a measure of support from strong demand among retail investors looking for tax-exempt income in a state with the country's most punitive income tax regime. The credit quality of state and local authorities remained consistent, but investors were alert for any changes in fiscal responsibility demonstrated by the new governor and his administration.

The Fund's positions in the school district, local tax-backed and transportation sectors contributed to performance. An overweight in the higher-grade AA and A rated credit categories, which outperformed BBB rated debt, also contributed to performance. The Fund's quality mandate restricts it from holding issues rated lower than BBB.

Income made a meaningful contribution to performance relative to price appreciation. The Fund's use of leverage augmented the contribution from income.

The Fund sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields fell, as prices rose, this strategy detracted from the Fund's return.

The Fund maintained exposure to bonds with longer maturities and shorter call dates that it purchased when yields were higher. While these bonds have above-average income, their lower interest-rate sensitivity hurt their performance in the past six months given the decline in prevailing yields. (Prices and yields move in opposite directions.)

An overweight to the long end of the yield curve detracted from performance, as bonds with maturities of 10 years and less generally outperformed longer-dated securities.

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 Summary as of January 31, 2019 (continued)

**BlackRock MuniHoldings California Quality Fund, Inc.****Market Price and Net Asset Value Per Share Summary**

|                 | <i>01/31/19</i> | <i>07/31/18</i> | <i>Change</i> | <i>High</i> | <i>Low</i> |
|-----------------|-----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 12.80        | \$ 13.07        | (2.07)%       | \$ 13.26    | \$ 12.10   |
| Net Asset Value | 14.79           | 15.03           | (1.60)        | 15.03       | 14.45      |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Total Investments\*****SECTOR ALLOCATION**

| <i>Sector</i>                                | <i>01/31/19</i> | <i>07/31/18</i> |
|--|-----------------|-----------------|
| County/City/Special District/School District | 35%             | 37%             |
| Health                                       | 20              | 19              |
| Transportation                               | 16              | 13              |
| Utilities                                    | 15              | 16              |
| Education                                    | 7               | 8               |
| State  | 5               | 6               |
| Tobacco                                      | 2               |                 |
| Corporate                                    |                 | 1               |

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

**CALL/MATURITY SCHEDULE <sup>(c)</sup>**

| Calendar Year Ended December 31, |     |
|----------------------------------|-----|
| 2019                             | 13% |
| 2020                             | 4   |
| 2021                             | 13  |
| 2022                             | 6   |
| 2023                             | 8   |

- (c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.  
 \* Excludes short-term securities.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

| <i>Credit Rating</i> | <i>01/31/19</i> | <i>07/31/18</i>  |
|----------------------|-----------------|------------------|
| AAA/Aaa              | 13%             | 14%              |
| AA/Aa                | 69              | 67               |
| A                    | 12              | 12               |
| BBB/Baa              | 2               | 2                |
| N/R                  | 4               | 5 <sup>(b)</sup> |

- (a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.
- (b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of July 31, 2018, the market value of unrated securities deemed by the investment adviser to be investment grade represented less than 1% of the Fund's total investments.

Fund Summary as of January 31, 2019

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

**BlackRock MuniHoldings New Jersey Quality Fund, Inc. s (MUJ) (the Fund )** investment objective is to provide shareholders with current income exempt from U.S. federal income tax and New Jersey personal income taxes. The Fund seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from U.S federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax) and New Jersey personal income taxes. The municipal obligations in which the Fund primarily invests are either rated investment grade quality, or are considered by the Fund s investment adviser to be of comparable quality, at the time of investment. 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.

**Fund Information**

|   |                |
|---|----------------|
| Symbol on NYSE  | MUJ            |
| Initial Offering Date   | March 11, 1998 |
| Yield on Closing Market Price as of January 31, 2019 (\$12.99) <sup>(a)</sup> | 4.85%          |
| Tax Equivalent Yield <sup>(b)</sup>   | 10.01%         |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                  | \$0.0525       |
| Current Annualized Distribution per Common Share <sup>(c)</sup>               | \$0.6300       |
| Economic Leverage as of January 31, 2019 <sup>(d)</sup>                       | 40%            |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal and state tax rate of 51.55%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

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

**Performance**

Returns for the six months ended January 31, 2019 were as follows:

|                       | Returns Based<br>On |            |
|-----------------------|---------------------|------------|
|                       | <i>Market Price</i> | <i>NAV</i> |
| MUJ <sup>(a)(b)</sup> | 3.21%               | 1.89%      |



|   |      |      |
|---|------|------|
| Lipper New Jersey Municipal Debt Funds <sup>(c)</sup> | 4.02 | 1.61 |
|---|------|------|

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

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

After performing poorly through the first half of the period, municipal bonds recovered to post a positive total return for the full six months. The initial downturn was largely brought about by concerns that the Fed would raise interest rates aggressively in 2019. However, subsequent signs of slowing growth prompted investors to adjust their expectations in favor of more accommodative Fed policy, sparking a rally across the bond market from early November onward.

The credit ratings and yield spreads on New Jersey's debt continued to reflect the state's high unfunded pension liabilities. In addition, slowing revenues created challenges in balancing the state's budget for the 2020 fiscal year.

The Fund's positions in the state tax-backed, transportation and education sectors contributed to performance, while its allocation to the tobacco sector, while limited, detracted.

The Fund's allocation to higher-rated issues, which outpaced lower-quality bonds, aided results.

Income made a meaningful contribution to performance relative to price appreciation. The Fund's use of leverage augmented the contribution from income.

The Fund sought to manage interest rate risk using U.S. Treasury futures. Given that U.S. Treasury yields fell, as prices rose, this strategy detracted from the Fund's return.

Reinvestment had an adverse effect on the Fund's income, as the proceeds of higher-yielding bonds that matured or were called needed to be reinvested at lower prevailing rates.

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 Summary as of January 31, 2019 (continued)

**BlackRock MuniHoldings New Jersey Quality Fund, Inc.****Market Price and Net Asset Value Per Share Summary**

|                 | <i>01/31/19</i> | <i>07/31/18</i> | <i>Change</i> | <i>High</i> | <i>Low</i> |
|-----------------|-----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 12.99        | \$ 12.90        | 0.70%         | \$ 13.07    | \$ 12.25   |
| Net Asset Value | 15.19           | 15.28           | (0.59)        | 15.28       | 14.75      |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Total Investments\*****SECTOR ALLOCATION**

| <i>Sector</i>                                | <i>01/31/19</i> | <i>07/31/18</i> |
|--|-----------------|-----------------|
| Transportation                               | 27%             | 28%             |
| Education                                    | 18              | 18              |
| State  | 18              | 18              |
| County/City/Special District/School District | 14              | 14              |
| Health                                       | 10              | 10              |
| Housing                                      | 5               | 5               |
| Utilities                                    | 3               | 3               |
| Corporate                                    | 3               | 2               |
| Tobacco                                      | 2               | 2               |

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

**CALL/MATURITY SCHEDULE <sup>(c)</sup>**

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2019                             | 5% |
| 2020                             | 8  |
| 2021                             | 16 |
| 2022                             | 9  |
| 2023                             | 9  |

- (c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.  
 \* Excludes short-term securities.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

| <i>Credit Rating</i> | <i>01/31/19</i>  | <i>07/31/18</i> |
|----------------------|------------------|-----------------|
| AAA/Aaa              | 7%               | 7%              |
| AA/Aa                | 36               | 38              |
| A                    | 19               | 21              |
| BBB/Baa              | 33               | 30              |
| N/R                  | 5 <sup>(b)</sup> | 4               |

- (a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.
- (b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of January 31, 2019, the market value of unrated securities deemed by the investment adviser to be investment grade represents 2% of the Fund's total investments.

Fund Summary as of January 31, 2019

**BlackRock MuniYield Investment Quality Fund****Fund Overview**

**BlackRock MuniYield Investment Quality Fund s (MFT) (the Fund )** investment objective is to provide shareholders with as high a level of current income exempt from U.S. 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 U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality, or are considered by the Fund s investment adviser to be of comparable quality, at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Fund Information**

|   |                  |
|---|------------------|
| Symbol on NYSE  | MFT              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2019 (\$13.10) <sup>(a)</sup> | 5.40%            |
| Tax Equivalent Yield <sup>(b)</sup>   | 9.12%            |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                  | \$0.0590         |
| Current Annualized Distribution per Common Share <sup>(c)</sup>               | \$0.7080         |
| Economic Leverage as of January 31, 2019 <sup>(d)</sup>                       | 43%              |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

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

**Performance**

Returns for the six months ended January 31, 2019 were as follows:

|  | Returns Based       |            |
|--|---------------------|------------|
|  | On                  |            |
|  | <i>Market Price</i> | <i>NAV</i> |
| MFT <sup>(a)(b)</sup>  | 3.41%               | 1.15%      |
| Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>(c)</sup> | 2.46                | 0.94       |

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

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

After performing poorly through the first half of the period, municipal bonds recovered to post a positive total return for the full six months. The initial downturn was largely brought about by concerns that the Fed would raise interest rates aggressively in 2019. However, subsequent signs of slowing growth prompted investors to adjust their expectations in favor of more accommodative Fed policy, sparking a rally across the bond market from early November onward.

Income, which was enhanced by leverage, was the largest contributor to Fund performance. However, the cost of leverage became more expensive during the period due to the Fed's two interest rate increases.

Positions in short-dated maturities were top performers on a price basis, as yields fell the most for bond with maturities of ten years and below. (Prices and yields move in opposite directions.) Longer-dated maturities, while experiencing less price appreciation than short-term issues, provided the Fund with an attractive level of income.

At the sector level, positions in transportation issues—particularly higher-quality debt—were contributors. Conversely, an allocation to the tobacco sector was a slight detractor. The sector experienced yield spread widening, which led to poor performance relative to other market segments.

The Fund's higher-quality mandate proved beneficial given that higher-rated bonds outperformed in the period.

The Fund sought to manage interest rate risk using U.S. Treasury futures. Given that U.S. Treasury yields fell, as prices rose, this strategy detracted from the Fund's return.

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

Fund Summary as of January 31, 2019 (continued)

BlackRock MuniYield Investment Quality Fund

**Market Price and Net Asset Value Per Share Summary**

|                 | <i>01/31/19</i> | <i>07/31/18</i> | <i>Change</i> | <i>High</i> | <i>Low</i> |
|-----------------|-----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 13.10        | \$ 13.03        | 0.54%         | \$ 13.15    | \$ 11.84   |
| Net Asset Value | 13.67           | 13.90           | (1.65)        | 13.90       | 13.41      |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Total Investments\*****SECTOR ALLOCATION**

| <i>Sector</i>                                | <i>01/31/19</i> | <i>07/31/18</i> |
|--|-----------------|-----------------|
| Transportation                               | 36%             | 34%             |
| Utilities                                    | 15              | 18              |
| Health                                       | 14              | 12              |
| County/City/Special District/School District | 14              | 16              |
| State  | 8               | 9               |
| Housing                                      | 6               | 4               |
| Tobacco                                      | 3               | 2               |
| Corporate                                    | 3               | 1               |
| Education                                    | 1               | 4               |

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

**CALL/MATURITY SCHEDULE (c)**

| Calendar Year Ended December 31, |     |
|----------------------------------|-----|
| 2019                             | 15% |
| 2020                             | 4   |
| 2021                             | 19  |
| 2022                             | 2   |
| 2023                             | 21  |

- (c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.  
 \* Excludes short-term securities.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

| <i>Credit Rating</i> | <i>01/31/19</i> | <i>07/31/18</i> |
|----------------------|-----------------|-----------------|
| AAA/Aaa              | 4%              | 5%              |
| AA/Aa                | 50              | 54              |
| A                    | 27              | 23              |
| BBB/Baa              | 13              | 12              |
| N/R <sup>(b)</sup>   | 6               | 6               |

- (a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.
- (b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of January 31, 2019 and July 31, 2018, the market value of unrated securities deemed by the investment adviser to be investment grade each represents 1% of the Fund's total investments.

Fund Summary as of January 31, 2019

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

**BlackRock MuniYield Michigan Quality Fund, Inc. s (MIY) (the Fund )** investment objective is to provide shareholders with as high a level of current income exempt from U.S. 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 U.S. federal income taxes (except that the interest may be subject to the U.S. 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, or are considered by the Fund s investment adviser to be of comparable quality, at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Fund Information**

|   |                  |
|---|------------------|
| Symbol on NYSE  | MIY              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2019 (\$12.81) <sup>(a)</sup> | 4.87%            |
| Tax Equivalent Yield <sup>(b)</sup>   | 8.86%            |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                  | \$0.0520         |
| Current Annualized Distribution per Common Share <sup>(c)</sup>               | \$0.6240         |
| Economic Leverage as of January 31, 2019 <sup>(d)</sup>                       | 39%              |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal and state tax rate of 45.05%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

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

**Performance**

Returns for the six months ended January 31, 2019 were as follows:

|   | Returns Based       |            |
|---|---------------------|------------|
|   | On                  |            |
|   | <i>Market Price</i> | <i>NAV</i> |
| MIY <sup>(a)(b)</sup>                                   | 1.85%               | 1.95%      |
| Lipper Other States Municipal Debt Funds <sup>(c)</sup> | 1.42                | 1.34       |



- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Fund's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

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

After performing poorly through the first half of the period, municipal bonds recovered to post a positive total return for the full six months. The initial downturn was largely brought about by concerns that the Fed would raise interest rates aggressively in 2019. However, subsequent signs of slowing growth prompted investors to adjust their expectations in favor of more accommodative Fed policy, sparking a rally across the bond market from early November onward.

Michigan municipal bonds outperformed the national market due to the state's improving economy and modest amount of new-issue supply. Michigan's economy continued to improve, and its unemployment rate was only slightly above the national average. In addition, its budget for the 2019 fiscal year was structurally balanced and featured a conservative revenue forecast.

Portfolio income, enhanced by leverage, made the largest contribution to Fund's return. The Fund's position in bonds with five- to 10-year maturities also contributed, as yields in this area declined. In contrast, yields for both short- and long-term issues were largely unchanged. (Prices and yields move in opposite directions.)

At the sector level, positions in transportation issues were key contributors to performance.

The Fund sought to manage interest rate risk using U.S. Treasury futures. Given that U.S. Treasury yields fell, as prices rose, this strategy detracted from the Fund's return.

The Fund's allocation to lower-rated securities also hurt results given that yield spreads generally widened in the period.

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

Fund Summary as of January 31, 2019 (continued)

**BlackRock MuniYield Michigan Quality Fund, Inc.****Market Price and Net Asset Value Per Share Summary**

|                 | <i>01/31/19</i> | <i>07/31/18</i> | <i>Change</i> | <i>High</i> | <i>Low</i> |
|-----------------|-----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 12.81        | \$ 12.89        | (0.62)%       | \$ 12.91    | \$ 12.15   |
| Net Asset Value | 14.96           | 15.04           | (0.53)        | 15.04       | 14.54      |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Total Investments\*****SECTOR ALLOCATION**

| <i>Sector</i>                                | <i>01/31/19</i> | <i>07/31/18</i> |
|--|-----------------|-----------------|
| Health                                       | 24%             | 25%             |
| Education                                    | 22              | 22              |
| County/City/Special District/School District | 18              | 18              |
| State  | 17              | 13              |
| Utilities                                    | 10              | 10              |
| Housing                                      | 4               | 4               |
| Transportation                               | 3               | 6               |
| Corporate                                    | 2               | 2               |

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

**CALL/MATURITY SCHEDULE <sup>(c)</sup>**

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2019                             | 6% |
| 2020                             | 3  |
| 2021                             | 17 |
| 2022                             | 8  |
| 2023                             | 15 |

- (c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.  
 \* Excludes short-term securities.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

| <i>Credit Rating</i> | <i>01/31/19</i> | <i>07/31/18</i>  |
|----------------------|-----------------|------------------|
| AAA/Aaa              | 2%              | 3%               |
| AA/Aa                | 66              | 69               |
| A                    | 23              | 22               |
| BBB/Baa              | 4               | 3                |
| N/R                  | 5               | 3 <sup>(b)</sup> |

- (a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.
- (b) The investment adviser evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of July 31, 2018, the market value of unrated securities deemed by the investment adviser to be investment grade represented less than 1% of the Fund's total investments.

Fund Summary as of January 31, 2019

**BlackRock MuniYield Pennsylvania Quality Fund****Fund Overview**

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

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

**Fund Information**

|   |                  |
|---|------------------|
| Symbol on NYSE  | MPA              |
| Initial Offering Date   | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2019 (\$13.19) <sup>(a)</sup> | 4.82%            |
| Tax Equivalent Yield <sup>(b)</sup>   | 8.59%            |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                  | \$0.0530         |
| Current Annualized Distribution per Common Share <sup>(c)</sup>               | \$0.6360         |
| Economic Leverage as of January 31, 2019 <sup>(d)</sup>                       | 41%              |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal and state tax rate of 43.87%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

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

**Performance**

Returns for the six months ended January 31, 2019 were as follows:

|   | Returns Based       |            |
|---|---------------------|------------|
|   | On                  |            |
|   | <i>Market Price</i> | <i>NAV</i> |
| MPA <sup>(a)(b)</sup>                                   | 2.03%               | 1.97%      |
| Lipper Pennsylvania Municipal Debt Funds <sup>(c)</sup> | 2.64                | 1.68       |

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

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

After performing poorly through the first half of the period, municipal bonds recovered to post a positive total return for the full six months. The initial downturn was largely brought about by concerns that the Fed would raise interest rates aggressively in 2019. However, subsequent signs of slowing growth prompted investors to adjust their expectations in favor of more accommodative Fed policy, sparking a rally across the bond market from early November onward.

Pennsylvania bonds outperformed the national index as improving fundamentals and a decrease in new-issue supply led to tighter yield spreads. The budget season was less acrimonious than in years past, and the state made the first significant deposit into its rainy day fund since 2009.

The Fund's positions in the health care, school district and education sectors contributed to Fund performance. The Fund's allocation to higher-rated issues, which outpaced lower-quality bonds, also aided results.

Income made a meaningful contribution to performance relative to price appreciation. The Fund's use of leverage augmented the contribution from income.

The Fund sought to manage interest rate risk using U.S. Treasury futures. Given that U.S. Treasury yields fell, as prices rose, this strategy detracted from the Fund's return.

Reinvestment had an adverse effect on the Fund's income, as the proceeds of higher-yielding bonds that matured or were called needed to be reinvested at lower prevailing rates.

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 Summary as of January 31, 2019 (continued)

**BlackRock MuniYield Pennsylvania Quality Fund****Market Price and Net Asset Value Per Share Summary**

|                 | <i>01/31/19</i> | <i>07/31/18</i> | <i>Change</i> | <i>High</i> | <i>Low</i> |
|-----------------|-----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 13.19        | \$ 13.26        | (0.53)%       | \$ 13.34    | \$ 12.30   |
| Net Asset Value | 15.18           | 15.27           | (0.59)        | 15.27       | 14.70      |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Total Investments\*****SECTOR ALLOCATION**

| <i>Sector</i>                                | <i>01/31/19</i> | <i>07/31/18</i> |
|--|-----------------|-----------------|
| Education                                    | 23%             | 23%             |
| Health                                       | 22              | 18              |
| County/City/Special District/School District | 18              | 17              |
| Transportation                               | 13              | 13              |
| State  | 9               | 13              |
| Utilities                                    | 8               | 8               |
| Housing                                      | 5               | 6               |
| Corporate                                    | 1               | 2               |
| Tobacco                                      | 1               |                 |

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

**CALL/MATURITY SCHEDULE <sup>(d)</sup>**

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2019                             | 9% |
| 2020                             | 6  |
| 2021                             | 12 |
| 2022                             | 8  |
| 2023                             | 5  |

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

\* Excludes short-term securities.

**CREDIT QUALITY ALLOCATION**<sup>(a)</sup>

| <i>Credit Rating</i> | <i>01/31/19</i> | <i>07/31/18</i> |
|----------------------|-----------------|-----------------|
| AAA/Aaa              | 1%              | 1%              |
| AA/Aa                | 48              | 53              |
| A                    | 35              | 34              |
| BBB/Baa              | 6               | 8               |
| BB/Ba                |                 | (b)             |
| N/R <sup>(c)</sup>   | 10              | 4               |

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

(b) Represents less than 1% of the Fund's total investments.

(c) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of January 31, 2019 and July 31, 2018, the market value of unrated securities deemed by the investment adviser to be investment grade represents 2% and less than 1%, respectively, of the Fund's total investments.

Schedule of Investments (unaudited)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Municipal Bonds 111.8%</b>   |                      |              |
| <b>California 111.8%</b>  |                      |              |
| <b>Corporate 0.4%</b>   |                      |              |
| City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 02/15/34   | \$ 2,435             | \$ 2,459,934 |
| <b>County/City/Special District/School District 32.2%</b>   |                      |              |
| California Municipal Finance Authority, RB, Orange County Civic Center Infrastructure Improvement Program, 5.00%, 06/01/43                | 2,000                | 2,270,920    |
| Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 08/01/21 <sup>(a)</sup>                               | 9,120                | 10,076,232   |
| Chabot-Las Positas Community College District, GO, Election of 2016, Series A, 4.00%, 08/01/47  | 1,500                | 1,549,110    |
| Chaffey Joint Union High School District, GO, CAB, Election of 2012, Series C <sup>(b)</sup> :<br>0.00%, 08/01/32                         | 250                  | 157,338      |
| 0.00%, 08/01/33   | 500                  | 297,535      |
| 0.00%, 08/01/34   | 510                  | 290,277      |
| 0.00%, 08/01/35   | 545                  | 296,126      |
| 0.00%, 08/01/36   | 500                  | 258,725      |
| 0.00%, 08/01/37   | 650                  | 321,074      |
| 0.00%, 08/01/38   | 625                  | 294,575      |
| 0.00%, 08/01/39   | 750                  | 336,188      |
| 0.00%, 08/01/40   | 1,855                | 791,529      |
| 0.00%, 08/01/41   | 305                  | 123,961      |
| 0.00%, 02/01/42   | 350                  | 138,936      |
| City of Sacramento California Transient Occupancy Tax Revenue, RB, Convention Center Complex, Series A, 5.00%, 06/01/43                   | 1,230                | 1,405,103    |
| Coronado Community Development Agency Successor Agency, Refunding, Tax Allocation Bonds, Series A, 5.00%, 09/01/33                        | 2,100                | 2,419,200    |
| County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 02/01/19 <sup>(a)</sup>                             | 3,500                | 3,500,000    |
| County of Los Angeles California Public Works Financing Authority, Refunding RB, Series D, 5.00%, 12/01/45                                | 1,430                | 1,595,923    |
| County of Orange California Sanitation District, COP, Series A, 5.00%, 02/01/19 <sup>(a)</sup>  | 2,500                | 2,500,000    |
| County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 03/01/21 <sup>(a)</sup> | 2,665                | 2,903,917    |
| County of San Luis Obispo Community College District, GO, Refunding Series B, 4.00%, 08/01/43   | 3,555                | 3,656,922    |
| County of Santa Clara California, GO, Election of 2008, Series B, 4.00%, 08/01/43   | 10,225               | 10,438,907   |
| Fremont Union High School District, GO, Refunding, 4.00%, 08/01/40  | 2,500                | 2,587,250    |
| Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 08/01/40   | 5,500                | 6,201,140    |
| Gavilan Joint Community College District, GO, Election of 2004, Series D <sup>(a)</sup> :   |                      |              |



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|  |              |              |
|--|--------------|--------------|
| 5.50%, 08/01/21  | 2,170        | 2,384,309    |
| 5.75%, 08/01/21  | 8,400        | 9,280,740    |
| Glendale Community College District, GO, Election of 2016, Series A, 4.00%, 08/01/46                               | 8,000        | 8,268,960    |
| Grossmont California Healthcare District, GO, Election of 2006, Series B, 6.13%, 07/15/21 <sup>(a)</sup>           | 2,000        | 2,221,420    |
| Kern Community College District, GO, Safety Repair & Improvements, Series C:                                       |              |              |
| 5.25%, 11/01/32  | 5,715        | 6,576,193    |
| 5.75%, 11/01/34  | 12,085       | 14,113,105   |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>County/City/Special District/School District (continued)</b>  |              |              |
| Los Alamitos Unified School District, GO, Refunding, School Facilities Improvement:                                |              |              |
| 5.25%, 08/01/23 <sup>(a)</sup>   | \$ 2,185     | \$ 2,528,285 |
| 5.25%, 08/01/39  | 1,515        | 1,717,146    |
| Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 08/01/20 <sup>(a)</sup>                | 11,000       | 11,562,430   |
| Mount San Jacinto Community College District, GO, Series A, 5.00%, 08/01/35  | 3,565        | 4,128,377    |
| Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 08/01/20 <sup>(a)</sup> | 10,000       | 10,511,300   |
| Rio Elementary School District, GO, Series A (AGM), 5.25%, 08/01/40  | 5,865        | 6,784,104    |
| Riverside County Public Financing Authority, Tax Allocation Bonds, Series A (BAM), 4.00%, 10/01/40                 | 2,545        | 2,578,390    |
| San Benito High School District, GO, Election of 2016, 4.00%, 08/01/48   | 5,000        | 5,175,850    |
| San Diego California Unified School District, GO, CAB, Election of 2008, Series K-2 <sup>(b)</sup> :               |              |              |
| 0.00%, 07/01/38  | 2,755        | 1,316,284    |
| 0.00%, 07/01/39  | 3,340        | 1,525,111    |
| 0.00%, 07/01/40  | 4,285        | 1,873,188    |
| San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A,                             |              |              |
| 5.50%, 02/01/19 <sup>(a)</sup>   | 905          | 905,000      |
| San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A:          |              |              |
| 5.75%, 05/01/36  | 2,560        | 2,567,526    |
| 5.75%, 05/01/42  | 4,500        | 4,859,730    |
| San Jose California Financing Authority, Refunding LRB, Civic Center Project, Series A, 5.00%, 06/01/39            | 5,800        | 6,446,062    |
| San Marcos Redevelopment Agency Successor Agency, Refunding, Tax Allocation Bonds, Series A:                       |              |              |
| 5.00%, 10/01/32  | 1,700        | 1,989,833    |
| 5.00%, 10/01/33  | 1,125        | 1,312,256    |
| Santa Clarita Community College District, GO, Refunding, 4.00%, 08/01/46   | 10,000       | 10,300,400   |
| Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 09/01/19 <sup>(a)</sup>     | 5,635        | 5,771,198    |
| Washington Township Health Care District, GO, Election of 2004, Series B, 5.50%, 08/01/38                          | 1,625        | 1,895,481    |
| West Contra Costa California Unified School District, GO:  |              |              |
| Election of 2010, Series A (AGM), 5.25%, 08/01/21 <sup>(a)</sup>   | 5,390        | 5,889,437    |
| Election of 2010, Series B, 5.50%, 08/01/39  | 3,195        | 3,664,218    |
| Election of 2012, Series A, 5.50%, 08/01/39  | 2,500        | 2,867,150    |
|  |              | 195,424,371  |

**Education 5.5%**

|   |        |            |
|---|--------|------------|
| California Municipal Finance Authority, RB, Emerson College, 6.00%, 01/01/22 <sup>(a)</sup> | 2,750  | 3,096,637  |
| California Statewide Communities Development Authority, Refunding RB:                       |        |            |
| CHF-Irvine LLC, 5.00%, 05/15/40   | 750    | 817,688    |
| University of California, RB, Limited Project,  |        |            |
| Series M, 5.00%, 05/15/47   | 15,000 | 16,938,150 |
| University of California, Refunding RB:   |        |            |
| Series AO, 5.00%, 05/15/40  | 5,430  | 6,173,693  |
| Series AZ, 4.00%, 05/15/48  | 6,000  | 6,149,520  |
|   |        | 33,175,688 |

**Health 18.4%**

|   |       |           |
|---|-------|-----------|
| ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare, Series B, 6.25%, 08/01/19 <sup>(a)</sup> | 6,305 | 6,449,574 |
|---|-------|-----------|

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Health (continued)</b>  |                      |              |
| California Health Facilities Financing Authority, RB:  |                      |              |
| Sutter Health, Series A, 5.00%, 11/15/35   | \$ 1,960             | \$ 2,254,020 |
| Children s Hospital, Series A, 5.25%, 11/01/41   | 8,000                | 8,721,360    |
| Lucile Slater Packard Children s Hospital at Stanford, Series A, 4.00%, 11/15/47                           | 825                  | 833,498      |
| Providence Health Services, Series B, 5.50%, 10/01/39  | 4,130                | 4,229,987    |
| Sutter Health, Series A, 4.00%, 11/15/42   | 450                  | 456,309      |
| Sutter Health, Series B, 6.00%, 08/15/20 <sup>(a)</sup>  | 9,655                | 10,306,906   |
| California Health Facilities Financing Authority, Refunding RB:  |                      |              |
| Dignity Health, Series A, 6.00%, 07/01/19 <sup>(a)</sup>   | 3,700                | 3,766,822    |
| Providence Health and Services, Series A, 5.00%, 10/01/38  | 10,970               | 12,315,909   |
| St. Joseph Health System, Series A, 5.00%, 07/01/37  | 10,000               | 11,010,800   |
| Sutter Health, Series B, 5.00%, 11/15/46   | 8,295                | 9,213,174    |
| California Municipal Finance Authority, Refunding RB, Community Medical Centers,<br>Series A:              |                      |              |
| 5.00%, 02/01/37  | 3,110                | 3,437,327    |
| 5.00%, 02/01/42  | 5,250                | 5,733,630    |
| California Statewide Communities Development Authority, RB:  |                      |              |
| Green Bond, Marin General Hospital, 4.00%, 08/01/45  | 2,500                | 2,511,225    |
| Huntington Memorial Hospital Project, 4.00%, 07/01/48  | 2,220                | 2,204,726    |
| California Statewide Communities Development Authority, Refunding RB:                                      |                      |              |
| Front Porch Communities and Services, 4.00%, 04/01/42  | 3,005                | 3,034,088    |
| Front Porch Communities and Services, 4.00%, 04/01/47  | 2,655                | 2,658,558    |
| Front Porch Communities and Services, 5.00%, 04/01/47  | 2,995                | 3,309,056    |
| John Muir Health, Series A, 5.00%, 08/15/51  | 1,635                | 1,804,075    |
| John Muir Health, Series A, 5.00%, 12/01/53  | 1,000                | 1,108,990    |
| John Muir Health, Series A, 5.00%, 12/01/57  | 1,750                | 1,922,637    |
| John Muir Health, Series A, 4.00%, 12/01/57  | 3,250                | 3,205,637    |
| Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41   | 6,235                | 6,696,265    |
| University of California Regents Medical Center Pooled Revenue, Refunding RB, Series<br>L, 5.00%, 05/15/47 | 4,000                | 4,447,640    |
|  |                      | 111,632,213  |
| <b>State 8.4%</b>  |                      |              |
| State of California, GO:   |                      |              |
| Various Purposes, 6.00%, 04/01/19 <sup>(a)</sup>   | 9,820                | 9,891,097    |
| Various Purposes, 6.00%, 03/01/33  | 5,000                | 5,232,950    |
| Various Purposes, 6.00%, 04/01/38  | 17,945               | 18,061,822   |
| Refunding, 5.00%, 08/01/45   | 5,690                | 6,363,867    |
| Refunding Veterans Bond, 4.00%, 12/01/40   | 4,000                | 4,047,560    |
| State of California Public Works Board, LRB:   |                      |              |

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|   |              |              |
|---|--------------|--------------|
| Department of Education, Riverside Campus Project, Series B, 6.50%, 04/01/19 <sup>(a)</sup>   | 3,670        | 3,699,397    |
| Various Capital Projects, Series I, 5.50%, 11/01/33   | 2,015        | 2,290,390    |
| State of California Public Works Board, RB, California State Prisons, Series C,<br>5.75%, 10/01/31  | 1,205        | 1,326,319    |
|   |              | 50,913,402   |
| <b>Tobacco 3.8%</b>   |              |              |
| Golden State Tobacco Securitization Corp., Refunding RB:<br>Asset-Backed, Series A (AGM), 5.00%, 06/01/40                                   | 9,765        | 11,062,476   |
| Series A-1, 3.50%, 06/01/36   | 11,915       | 11,722,692   |
|   |              | 22,785,168   |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Transportation 21.0%</b>   |              |              |
| Alameda Corridor Transportation Authority, Refunding RB, 2nd Subordinate Lien, Series<br>B, 5.00%, 10/01/35                                 | \$ 1,500     | \$ 1,668,180 |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area Toll Bridge<br>Subordinate, 4.00%, 04/01/42                                   | 5,000        | 5,122,300    |
| California Municipal Finance Authority, ARB, Senior Lien, Linxs APM Project, AMT,<br>5.00%, 12/31/43  | 13,915       | 15,178,760   |
| City & County of San Francisco California Airports Commission, ARB, Second Series E:<br>6.00%, 05/01/19 <sup>(a)</sup>                      | 745          | 753,106      |
| 6.00%, 05/01/39   | 8,905        | 9,001,886    |
| City & County of San Francisco California Airports Commission, Refunding ARB, AMT,<br>Series A:<br>2nd, 5.00%, 05/01/29                     | 6,435        | 7,008,230    |
| San Francisco International Airport, 5.00%, 05/01/41  | 5,000        | 5,502,700    |
| 5.00%, 05/01/47   | 5,000        | 5,525,150    |
| City of Los Angeles California Department of Airports, ARB:<br>Los Angeles International Airport, Senior, Series D, 5.25%, 05/15/29         | 2,590        | 2,722,168    |
| Senior Series A, AMT, 5.00%, 05/15/40   | 3,830        | 4,279,297    |
| Series D, AMT, 5.00%, 05/15/35  | 2,000        | 2,255,400    |
| Series D, AMT, 5.00%, 05/15/36  | 1,500        | 1,686,945    |
| Sub-Series A, AMT, 5.00%, 05/15/47  | 6,725        | 7,475,039    |
| City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles<br>International Airport:<br>5.00%, 05/15/43              | 7,000        | 8,129,380    |
| Senior, Series A, 5.00%, 05/15/40   | 3,000        | 3,114,690    |
| Series A, 5.25%, 05/15/39   | 5,845        | 5,902,807    |
| City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International<br>Airport SJC, AMT:<br>Series A, 5.00%, 03/01/41        | 3,075        | 3,410,636    |
| Series A, 5.00%, 03/01/47   | 11,770       | 12,976,190   |
| Series A-1, 5.25%, 03/01/23   | 3,785        | 4,047,338    |
| Series A-1, 6.25%, 03/01/34   | 1,400        | 1,511,986    |
| County of Sacramento California Airport System Revenue, Refunding ARB:<br>Airport System Subordinate Revenue, Sub-Series B, 5.00%, 07/01/41 | 1,250        | 1,391,225    |
| Senior Series A, 5.00%, 07/01/41  | 2,500        | 2,791,150    |
| County of San Bernardino California Transportation Authority, RB, Series A,   | 4,545        | 5,200,071    |

|   |        |             |
|---|--------|-------------|
| 5.25%, 03/01/40   |        |             |
| County of San Diego Regional Airport Authority, Refunding ARB, Subordinate, Series A,<br>5.00%, 07/01/42                                | 4,275  | 4,828,142   |
| Port of Los Angeles California Harbor Department, RB, Series B, 5.25%, 08/01/19 <sup>(a)</sup>  | 5,530  | 5,632,582   |
| Port of Los Angeles California Harbor Department, Refunding RB, Series A, AMT,<br>5.00%, 08/01/44                                       | 500    | 555,095     |
|   |        | 127,670,453 |
| <b>Utilities 22.1%</b>  |        |             |
| Anaheim Public Financing Authority, RB, Electric System Distribution Facilities,<br>Series A, 5.38%, 04/01/21 <sup>(a)</sup>            | 2,200  | 2,383,282   |
| City & County of San Francisco Public Utilities Commission Wastewater Revenue,<br>Refunding RB, Sewer System, Series B, 4.00%, 10/01/42 | 3,000  | 3,061,320   |
| City of Los Angeles California Department of Water & Power, RB, Power System, Series<br>A, 5.00%, 07/01/42                              | 8,825  | 10,019,287  |
| City of Los Angeles California Department of Water & Power, Refunding RB, Water<br>System, Series A, 5.25%, 07/01/39                    | 16,000 | 17,002,720  |
| City of Los Angeles California Wastewater System Revenue, Refunding RB, Sub-Series<br>A:<br>5.00%, 06/01/20 <sup>(a)</sup>              | 1,325  | 1,385,235   |
| 5.00%, 06/01/28   | 675    | 703,681     |

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Utilities (continued)</b>  |                      |              |
| City of San Francisco California Public Utilities Commission Water Revenue, RB:<br>Series A, 5.00%, 11/01/39                    | \$ 5,245             | \$ 5,949,561 |
| Series B, 5.00%, 11/01/19 <sup>(a)</sup>  | 10,000               | 10,258,500   |
| County of Los Angeles Facilities Inc., RB, Vermont Corridor County Administration<br>Building, Series A, 5.00%, 12/01/51        | 18,270               | 20,612,031   |
| Dublin-San Ramon Services District Water Revenue, Refunding RB, 6.00%, 02/01/21 <sup>(a)</sup>                                  | 4,000                | 4,352,720    |
| East Bay California Municipal Utility District Water System Revenue, RB, Green Bond,<br>Series A:                               |                      |              |
| 5.00%, 06/01/42   | 5,000                | 5,747,550    |
| 4.00%, 06/01/45   | 4,585                | 4,745,796    |
| 5.00%, 06/01/45   | 5,500                | 6,296,070    |
| El Dorado Irrigation District/El Dorado County Water Agency, Refunding RB, Series A<br>(AGM), 5.25%, 03/01/39                   | 10,000               | 11,379,600   |
| San Diego Public Facilities Financing Authority Sewer, Refunding RB, Series A:<br>Senior, 5.25%, 05/15/19 <sup>(a)</sup>        | 10,000               | 10,106,900   |
| Senior, 5.25%, 05/15/19 <sup>(a)</sup>  | 1,060                | 1,071,331    |
| 5.00%, 08/01/43   | 9,655                | 11,136,270   |
| San Juan Water District, Refunding RB, San Juan & Citrus Heights, 5.25%, 02/01/33   | 7,325                | 8,021,901    |
|   |                      | 134,233,755  |
| <b>Total Municipal Bonds 111.8%</b><br>(Cost \$655,829,646)   |                      | 678,294,984  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(c)</sup> 55.5%</b>   |                      |              |
| <b>California 55.5%</b>   |                      |              |
| <b>County/City/Special District/School District 26.1%</b>   |                      |              |
| County of Riverside California Public Financing Authority, RB, Capital Facilities Project,<br>5.25%, 11/01/45                   | 10,000               | 11,538,600   |
| County of San Luis California Obispo Community College District, GO, Refunding<br>Election of 2014, Series A, 4.00%, 08/01/40   | 6,585                | 6,747,475    |
| County of San Mateo California Community College District, GO, Election of 2014,<br>Series A, 5.00%, 09/01/45                   | 17,615               | 20,018,141   |
| Foothill-De Anza Community College District, GO, Series C, 5.00%, 08/01/21 <sup>(a)</sup>                                       | 40,000               | 43,436,550   |
| Los Angeles Community College District California, GO, Refunding, Election of 2008,<br>Series A, 6.00%, 08/01/19 <sup>(a)</sup> | 9,596                | 9,807,106    |
| Palomar Community College District, GO, Election of 2006, Series C, 5.00%, 08/01/44   | 15,140               | 17,196,088   |
| Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment<br>District No. 2, Series A, 5.00%, 10/01/43   | 9,990                | 11,259,296   |

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|   |              |              |
|---|--------------|--------------|
| Southwestern Community College District, GO, Election of 2008,<br>Series D, 5.00%, 08/01/44   | 10,820       | 12,285,244   |
| Visalia Unified School District, COP, (AGM), 4.00%, 05/01/48  | 8,493        | 8,542,149    |
| West Valley-Mission Community College District, GO, Election of 2012, Series B,<br>4.00%, 08/01/40                                      | 17,000       | 17,689,265   |
|   |              | 158,519,914  |
| <b>Education 5.8%</b>   |              |              |
| University of California, RB:<br>Series AM, 5.25%, 05/15/44   | 10,210       | 11,498,451   |
| Series O, 5.75%, 05/15/19 <sup>(a)</sup>  | 11,193       | 11,323,672   |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Education (continued)</b>  |              |              |
| University of California, Refunding RB:<br>Series A, 5.00%, 11/01/43  | \$ 6,001     | \$ 6,757,287 |
| Series AF, 5.00%, 05/15/39  | 5,000        | 5,518,125    |
|   |              | 35,097,535   |
| <b>Health 15.2%</b>   |              |              |
| California Health Facilities Financing Authority, Refunding RB, Kaiser Permanent,<br>Sub-Series A-2, 4.00%, 11/01/44                    | 17,720       | 18,069,704   |
| California Health Facilities Financing Authority, RB:<br>Lucile Salter Packard Children's Hospital at Stanford, 5.00%, 11/15/56         | 6,000        | 6,565,760    |
| Sutter Health, Series A, 5.00%, 08/15/52  | 14,520       | 15,581,194   |
| California Health Facilities Financing Authority, Refunding RB:<br>Lucile Salter Packard Children's Hospital, Series B, 5.00%, 08/15/55 | 4,500        | 4,921,594    |
| Providence St. Joseph Health, Series A, 4.00%, 10/01/47   | 4,997        | 5,052,994    |
| Sutter Health, Series A, 5.00%, 08/15/43  | 19,425       | 21,372,040   |
| California Statewide Communities Development Authority, RB, Kaiser Permanente,<br>Series A, 5.00%, 04/01/42                             | 19,070       | 20,417,868   |
|   |              | 91,981,154   |
| <b>Transportation 5.8%</b>  |              |              |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area Toll Bridge,<br>4.00%, 04/01/49 <sup>(d)</sup>                            | 10,005       | 10,200,164   |
| City of Los Angeles California Department of Airports, ARB, Series D, AMT,<br>5.00%, 05/15/41   | 13,331       | 14,881,346   |
| City of Los Angeles California Department of Airports, RB, AMT:<br>Los Angeles International Airport, Series B, 5.00%, 05/15/41         | 3,641        | 4,030,934    |
| Senior Revenue, Series A, 5.00%, 05/15/40   | 5,500        | 6,144,050    |
|   |              | 35,256,494   |
| <b>Utilities 2.6%</b>   |              |              |
| City of Los Angeles California Wastewater System Revenue, RB, Green Bonds,<br>Series A, 5.00%, 06/01/44                                 | 13,790       | 15,605,729   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 55.5%</b><br><b>(Cost \$329,016,967)</b>                              |              | 336,460,826  |

|  |           |                |
|--|-----------|----------------|
| <b>Total Investments</b> 167.3%  |           |                |
| (Cost \$984,846,613)   |           | 1,014,755,810  |
|  |           | <i>Shares</i>  |
| <b>Short-Term Securities</b> 0.2%  |           |                |
| BlackRock Liquidity Funds California Money Fund, Institutional Class,<br>1.22% <sup>(e)(f)</sup> | 1,364,058 | 1,364,331      |
| <b>Total Short-Term Securities</b> 0.2%  |           |                |
| (Cost \$1,364,331)   |           | 1,364,331      |
| <b>Total Investments</b> 167.5%  |           |                |
| (Cost \$986,210,944)   |           | 1,016,120,141  |
| <b>Other Assets Less Liabilities</b> 2.1%  |           | 12,437,813     |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b> (27.7)% |           | (167,982,744)  |
| <b>VMTP Shares, at Liquidation Value, Net of Deferred</b> (41.9)%                                |           | (254,000,000)  |
| <b>Net Assets Applicable to Common Shares</b> 100.0%   |           | \$ 606,575,210 |



Schedule of Investments (unaudited) (continued)

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

January 31, 2019

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Zero-coupon bond.
- (c) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (d) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreement, which expires on April 1, 2025, is \$6,875,658. See Note 4 of the Notes to Financial Statements for details.
- (e) Annualized 7-day yield as of period end.
- (f) During the six months ended January 31, 2019, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliate</i>   | <i>Shares at 07/31/18</i> | <i>Net Activity</i> | <i>Shares at 01/31/19</i> | <i>Value at 01/31/19</i> | <i>Net Realized Income</i> | <i>Gain (Loss)</i> | <i>Change in Unrealized Appreciation (Depreciation)</i> |
|--|---------------------------|---------------------|---------------------------|--------------------------|----------------------------|--------------------|---|
| BlackRock Liquidity Funds California Money Fund, Institutional Class |                           | 1,364,058           | 1,364,058                 | \$ 1,364,331             | \$ 23,416                  | \$                 | \$  |
| BlackRock Liquidity Funds, MuniCash, Institutional Class*            |                           |                     |                           |                          | 9,013                      | (1)                |   |
|  |                           |                     |                           | \$ 1,364,331             | \$ 32,429                  | \$ (1)             | \$  |

\* No longer held by the Fund as of period end.

(a) Includes net capital gain distributions, if applicable.

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

**Derivative Financial Instruments Outstanding as of Period End****Futures Contracts**

| <i>Description</i> | <i>Number of Contracts</i> | <i>Expiration Date</i> | <i>Notional Amount (000)</i> | <i>Value/ Unrealized Appreciation (Depreciation)</i> |
|--------------------|----------------------------|------------------------|------------------------------|--|
|--------------------|----------------------------|------------------------|------------------------------|--|

Short Contracts:

|                            |     |          |           |                |
|----------------------------|-----|----------|-----------|----------------|
| 10-Year U.S. Treasury Note | 117 | 03/20/19 | \$ 14,329 | \$ (127,266)   |
| Long U.S. Treasury Bond    | 275 | 03/20/19 | 40,339    | (1,742,733)    |
| 5-Year U.S. Treasury Note  | 47  | 03/29/19 | 5,398     | (58,065)       |
|                            |     |          |           | \$ (1,928,064) |

**Derivative Financial Instruments Categorized by Risk Exposure**

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

|   | <i>Foreign</i>   |                  |                  |                  |                  |                  | <i>Total</i> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
|   |                  |                  |                  | <i>Currency</i>  | <i>Interest</i>  |                  |              |
|   | <i>Commodity</i> | <i>Credit</i>    | <i>Equity</i>    | <i>Exchange</i>  | <i>Rate</i>      | <i>Other</i>     |              |
|   | <i>Contract</i>  | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> |              |
| <b>Liabilities Derivative Financial Instruments</b> |                  |                  |                  |                  |                  |                  |              |
| Futures contracts                                   |                  |                  |                  |                  |                  |                  |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$               | \$               | \$               | \$               | \$ 1,928,064     | \$               | \$ 1,928,064 |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities. For the six months ended January 31, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Foreign</i>   |                  |                  |                  |                  |                  | <i>Total</i>   |
|---|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|   |                  |                  |                  | <i>Currency</i>  | <i>Interest</i>  |                  |                |
|   | <i>Commodity</i> | <i>Credit</i>    | <i>Equity</i>    | <i>Exchange</i>  | <i>Rate</i>      | <i>Other</i>     |                |
|   | <i>Contract</i>  | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> |                |
| <b>Net Realized Gain (Loss) from:</b>                           |                  |                  |                  |                  |                  |                  |                |
| Futures contracts   | \$               | \$               | \$               | \$               | \$ 593,924       | \$               | \$ 593,924     |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                  |                  |                  |                  |                  |                  |                |
| Futures contracts   | \$               | \$               | \$               | \$               | \$ (2,308,745)   | \$               | \$ (2,308,745) |

SCHEDULES OF INVESTMENTS

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts short \$ 45,623,090

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments, For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | <i>Level 1</i> | <i>Level 2</i>   | <i>Level 3</i> | <i>Total</i>     |
|---|----------------|------------------|----------------|------------------|
| Assets:   |                |                  |                |                  |
| Investments:                                    |                |                  |                |                  |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 1,014,755,810 | \$             | \$ 1,014,755,810 |
| Short-Term Securities                           | 1,364,331      |                  |                | 1,364,331        |
|   | \$ 1,364,331   | \$ 1,014,755,810 | \$             | \$ 1,016,120,141 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                  |                |                  |
| Liabilities:                                    |                |                  |                |                  |
| Interest rate contracts                         | \$ (1,928,064) | \$               | \$             | \$ (1,928,064)   |

<sup>(a)</sup> See above Schedule of Investments for values in each sector.

<sup>(b)</sup> Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|              | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|--------------|----------------|----------------|----------------|--------------|
| Liabilities: |                |                |                |              |

|                                  |    |                  |    |                  |
|----------------------------------|----|------------------|----|------------------|
| TOB Trust Certificates           | \$ | \$ (167,017,593) | \$ | \$ (167,017,593) |
| VMTP Shares at Liquidation Value |    | (254,000,000)    |    | (254,000,000)    |
|                                  | \$ | \$ (421,017,593) | \$ | \$ (421,017,593) |

During the six months ended January 31, 2019, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

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

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Municipal Bonds 139.3%</b>  |                      |              |
| <b>New Jersey 139.3%</b>   |                      |              |
| <b>Corporate 4.1%</b>  |                      |              |
| New Jersey EDA, RB, Series B:  |                      |              |
| Provident Group-Kean Properties, Series A, 5.00%, 07/01/47   | \$ 795               | \$ 836,849   |
| State House Project, Remark 10,<br>5.00%, 06/15/43   | 1,235                | 1,297,750    |
| New Jersey EDA, Refunding RB:  |                      |              |
| Duke Farms Foundation Project,<br>4.00%, 07/01/46  | 2,770                | 2,878,473    |
| New Jersey American Water Co., Inc. Project, Series A, AMT, 5.70%, 10/01/39  | 7,500                | 7,655,925    |
| New Jersey American Water Co., Inc. Project, Series B, AMT, 5.60%, 11/01/34  | 3,150                | 3,266,550    |
| Provident Group-Montclair Properties LLC (AGM), 5.00%, 06/01/42  | 810                  | 883,605      |
| New Jersey EDA, RB, Reunding,<br>5.00%, 11/01/19   | 2,000                | 2,044,200    |
|  |                      | 18,863,352   |
| <b>County/City/Special District/School District 16.6%</b>  |                      |              |
| Borough of Edgewater New Jersey Board of Education, GO, Refunding, (AGM) <sup>(a)</sup> :                                  |                      |              |
| 4.25%, 03/01/20  | 3,135                | 3,221,119    |
| 4.30%, 03/01/20  | 1,670                | 1,716,760    |
| Casino Reinvestment Development Authority, Refunding RB:   |                      |              |
| 5.25%, 11/01/39  | 11,130               | 11,842,543   |
| 5.25%, 11/01/44  | 3,755                | 3,989,462    |
| City of Bayonne New Jersey, GO, Refunding, Qualified General Improvement (BAM),<br>5.00%, 07/01/39                         | 3,340                | 3,671,228    |
| City of Perth Amboy New Jersey, GO, CAB, Refunding (AGM):  |                      |              |
| 5.00%, 07/01/32  | 2,210                | 2,213,558    |
| 5.00%, 07/01/33  | 670                  | 671,072      |
| 5.00%, 07/01/35  | 595                  | 595,958      |
| 5.00%, 07/01/37  | 705                  | 706,086      |
| County of Essex New Jersey, GO, Vocational School, Series B, 3.00%, 09/01/46   | 2,700                | 2,333,529    |
| County of Essex New Jersey Improvement Authority, Refunding RB, Project Consolidation<br>(NPFGC):                          |                      |              |
| 5.50%, 10/01/27  | 250                  | 311,805      |
| 5.50%, 10/01/28  | 4,840                | 6,097,868    |
| County of Hudson New Jersey Improvement Authority, RB, CAB, Series A-1 (NPFGC),<br>0.00%, 12/15/32 <sup>(b)</sup>          | 1,000                | 638,700      |
| County of Middlesex New Jersey Improvement Authority, RB, Senior Citizens Housing<br>Project, AMT (AMBAC), 5.50%, 09/01/30 | 500                  | 501,500      |
| County of Monmouth New Jersey Improvement Authority, Refunding RB, Governmental<br>Loan (AMBAC), 5.00%, 12/01/19           | 5                    | 5,013        |

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|  |              |              |
|--|--------------|--------------|
| County of Union New Jersey, GO, Refunding <sup>(a)</sup> :   |              |              |
| 4.00%, 03/01/21  | 225          | 235,221      |
| 4.00%, 03/01/21  | 11,200       | 11,732,224   |
| County of Union New Jersey Utilities Authority, Refunding RB, Resources Recovery Facility, Covanta Union, Inc., AMT, Series A, |              |              |
| 5.25%, 12/01/31  | 650          | 705,107      |
| Ewing Township Board of Education, GO:   |              |              |
| 4.00%, 07/15/38  | 1,470        | 1,522,670    |
| 4.00%, 07/15/39  | 1,330        | 1,371,190    |
| New Jersey EDA, RB:  |              |              |
| Motor Vehicle Surcharge, Series A,   |              |              |
| 5.25%, 07/01/26 <sup>(c)</sup>   | 1,415        | 1,726,894    |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 07/01/25 <sup>(c)</sup>  | 535          | 641,577      |
| Series EEE, 5.00%, 06/15/43  | 5,395        | 5,669,120    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>County/City/Special District/School District (continued)</b>  |              |              |
| New Jersey Sports & Exposition Authority, Refunding RB, (NPFGC) <sup>(c)</sup> :   |              |              |
| 5.50%, 03/01/21  | \$ 7,430     | \$ 7,993,640 |
| 5.50%, 03/01/22  | 4,200        | 4,665,444    |
| Township of Irvington New Jersey, GO, Refunding Series A (AGM), 5.00%, 07/15/33  | 1,175        | 1,316,717    |
|  |              | 76,096,005   |
| <b>Education 25.4%</b>   |              |              |
| County of Gloucester New Jersey Improvement Authority, RB, Rowan University General Capital Improvement Projects:              |              |              |
| 5.00%, 07/01/44  | 1,985        | 2,192,770    |
| Series A, 5.00%, 07/01/31  | 1,950        | 2,205,976    |
| Series A, 5.00%, 07/01/32  | 1,775        | 2,003,567    |
| Series A, 5.00%, 07/01/33  | 2,250        | 2,532,690    |
| Series A, 5.00%, 07/01/34  | 1,200        | 1,347,780    |
| New Jersey EDA, LRB, Rutgers The State University of New Jersey, College Avenue Redevelopment Project, 5.00%, 06/15/33         | 3,065        | 3,409,537    |
| New Jersey EDA, RB, Series A:  |              |              |
| Foundation Academy Charter School Project, 5.00%, 07/01/38   | 190          | 199,606      |
| Foundation Academy Charter School Project, 5.00%, 07/01/50   | 495          | 515,191      |
| Provident Group Rowan Properties LLC, 5.00%, 01/01/35  | 2,000        | 2,115,020    |
| Provident Group Rowan Properties LLC, 5.00%, 01/01/48  | 2,000        | 2,077,580    |
| New Jersey EDA, Refunding RB, Provident Group-Monteclair Properites LLC (AGM), 5.00%, 06/01/37                                 | 3,990        | 4,406,676    |
| New Jersey Educational Facilities Authority, RB:   |              |              |
| Higher Educational Capital Improvement Fund, Series A, 4.00%, 09/01/28   | 9,705        | 10,058,165   |
| Higher Educational Capital Improvement Fund, Series A, 5.00%, 09/01/33   | 5,370        | 5,715,828    |
| Rider University Issue, Series F, 4.00%, 07/01/42  | 2,365        | 2,224,259    |
| Rider University Issue, Series F, 5.00%, 07/01/47  | 2,185        | 2,314,024    |
| New Jersey Educational Facilities Authority, Refunding RB:   |              |              |
| Montclair State University, Series A,  |              |              |
| 5.00%, 07/01/39  | 15,555       | 17,195,275   |
| Montclair State University, Series A,  |              |              |
| 5.00%, 07/01/44  | 3,540        | 3,892,832    |

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|  |       |           |
|--|-------|-----------|
| New Jersey Institute of Technology, Series H, 5.00%, 07/01/31                    | 4,000 | 4,152,800 |
| Princeton University, Series I, 5.00%, 07/01/34                                  | 3,295 | 3,905,135 |
| Seton Hall University, Series D, 5.00%, 07/01/38                                 | 500   | 551,415   |
| Seton Hall University, Series D, 5.00%, 07/01/43                                 | 600   | 658,542   |
| Stevens Institute of Technology, Series A, 4.00%, 07/01/47                       | 1,145 | 1,162,965 |
| Stockton University, Series A, 5.00%, 07/01/41                                   | 1,770 | 1,909,529 |
| William Paterson University (AGC),<br>5.00%, 07/01/28                            | 20    | 20,046    |
| William Paterson University (AGC),<br>4.75%, 07/01/34                            | 380   | 380,688   |
| New Jersey Higher Education Student Assistance Authority, RB, AMT, Student Loan: |       |           |
| Senior Series 1A, 4.00%, 12/01/28  | 855   | 885,652   |
| Senior Series 1A, 4.50%, 12/01/28  | 1,975 | 2,073,928 |
| Senior Series 1A, 4.00%, 12/01/29  | 4,520 | 4,674,177 |
| Senior Series 1A, 4.00%, 12/01/29  | 565   | 582,571   |
| Senior Series 1A, 4.50%, 12/01/29  | 2,475 | 2,587,142 |
| Senior Series 1A, 4.63%, 12/01/30  | 2,425 | 2,537,690 |
| Senior Series 1A, 4.00%, 12/01/31  | 925   | 942,048   |
| Senior Series 1A, 4.25%, 12/01/32  | 1,625 | 1,674,969 |
| Senior Series 1A, 4.13%, 12/01/35  | 565   | 573,469   |
| Senior Series 1A, 4.50%, 12/01/36  | 1,430 | 1,480,708 |
| Sub-Series C, 4.00%, 12/01/48  | 1,760 | 1,717,936 |

SCHEDULES OF INVESTMENTS

21



Schedule of Investments (unaudited) (continued)

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

January 31, 2019

**(Percentages shown are based on Net Assets)**

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Education (continued)</b>   |                      |              |
| New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT:                               |                      |              |
| 5.38%, 12/01/24  | \$ 675               | \$ 716,762   |
| 5.50%, 12/01/26  | 810                  | 858,325      |
| New Jersey Institute of Technology, RB, Series A:  |                      |              |
| 5.00%, 07/01/22 <sup>(a)</sup>   | 2,120                | 2,352,182    |
| 5.00%, 07/01/42  | 4,825                | 5,202,363    |
| 5.00%, 07/01/45  | 7,500                | 8,451,675    |
| Rutgers The State University of New Jersey, Refunding RB, Series L, 5.00%, 05/01/30                                  | 1,565                | 1,738,527    |
|  |                      | 116,198,020  |
| <b>Health 15.8%</b>  |                      |              |
| County of Camden New Jersey Improvement Authority, Refunding RB, Cooper Healthcare System, Series A, 5.00%, 02/15/33 | 2,000                | 2,153,500    |
| New Jersey EDA, RB, Reunding Cranes Mill Project:  |                      |              |
| 5.00%, 01/01/34  | 675                  | 736,364      |
| 5.00%, 01/01/39  | 675                  | 722,898      |
| 5.00%, 01/01/49  | 1,355                | 1,431,937    |
| New Jersey Health Care Facilities Financing Authority, RB:   |                      |              |
| Inspira Health Obligated Group,  |                      |              |
| 5.00%, 07/01/42  | 2,270                | 2,519,587    |
| Robert Wood Johnson University Hospital, Series A, 5.50%, 07/01/43   | 7,105                | 7,882,713    |
| Virtua Health, Series A (AGC), 5.50%, 07/01/38   | 4,035                | 4,094,194    |
| New Jersey Health Care Facilities Financing Authority, Refunding RB:   |                      |              |
| AHS Hospital Corp., 5.50%, 07/01/21 <sup>(a)</sup>   | 4,055                | 4,415,003    |
| AHS Hospital Corp., 6.00%, 07/01/21 <sup>(a)</sup>   | 4,180                | 4,600,216    |
| AHS Hospital Corp., 4.00%, 07/01/41  | 1,600                | 1,622,736    |
| Catholic Health East Issue, 5.00%, 11/15/33  | 1,925                | 2,028,584    |
| Hackensack University Medical Center (AGM), 4.63%, 01/01/20 <sup>(a)</sup>   | 7,795                | 8,000,242    |
| Meridian Health System Obligated Group, 5.00%, 07/01/25  | 1,000                | 1,100,780    |
| Meridian Health System Obligated Group, 5.00%, 07/01/26  | 3,720                | 4,088,429    |
| Princeton Healthcare System,   |                      |              |
| 5.00%, 07/01/34  | 1,330                | 1,503,605    |
| Princeton Healthcare System,   |                      |              |
| 5.00%, 07/01/39  | 1,825                | 2,027,374    |
| RWJ Barnabas Health Obligated Group, Series A, 4.00%, 07/01/43   | 1,865                | 1,903,344    |
| RWJ Barnabas Health Obligated Group, Series A, 5.00%, 07/01/43   | 3,080                | 3,447,321    |
| St. Barnabas Health Care System, Series A, 5.00%, 07/01/21 <sup>(a)</sup>  | 3,640                | 3,915,948    |
| St. Barnabas Health Care System, Series A, 5.63%, 07/01/21 <sup>(a)</sup>  | 9,310                | 10,152,369   |
| Virtua Health, 5.00%, 07/01/28   | 3,000                | 3,376,830    |

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|   |              |              |
|---|--------------|--------------|
| Virtua Health, 5.00%, 07/01/29  | 715          | 801,987      |
|   |              | 72,525,961   |
| <b>Housing 7.6%</b>   |              |              |
| County of Atlantic New Jersey Improvement Authority, RB, Stockton University Atlantic City, Series A (AGM), 4.00%, 07/01/46 | 1,300        | 1,326,949    |
| New Jersey Housing & Mortgage Finance Agency, RB:<br>Capital Fund Program, Series A (AGM),<br>5.00%, 05/01/27               | 4,300        | 4,310,449    |
| M/F Housing, Series A, 4.55%, 11/01/43  | 4,710        | 4,805,848    |
| S/F Housing, Series B, 4.50%, 10/01/30  | 8,560        | 8,885,451    |
| New Jersey Housing & Mortgage Finance Agency, Refunding RB:<br>M/F Housing, Series 2, AMT, 4.60%, 11/01/38                  | 3,120        | 3,211,603    |
| M/F Housing, Series 2, AMT, 4.75%, 11/01/46   | 3,795        | 3,895,454    |
| M/F Housing, Series A, 4.00%, 11/01/48  | 370          | 370,796      |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Housing (continued)</b>  |              |              |
| M/F Housing, Series A, 4.10%, 11/01/53  | \$ 220       | \$ 221,276   |
| S/F Housing, Series A, 3.75%, 10/01/35  | 6,295        | 6,336,484    |
| Series D, AMT, 4.25%, 11/01/37  | 490          | 501,015      |
| Series D, AMT, 4.35%, 11/01/42  | 1,000        | 1,010,470    |
|   |              | 34,875,795   |
| <b>State 24.0%</b>  |              |              |
| Garden State Preservation Trust, RB, CAB, Series B (AGM) <sup>(b)</sup> :<br>0.00%, 11/01/23                                | 15,725       | 14,089,285   |
| 0.00%, 11/01/25   | 10,000       | 8,435,300    |
| Garden State Preservation Trust, Refunding RB, Series C (AGM):<br>5.25%, 11/01/20   | 5,000        | 5,278,400    |
| 5.25%, 11/01/21   | 7,705        | 8,354,532    |
| New Jersey EDA, RB:<br>CAB, Motor Vehicle Surcharge, Series A (NPFGC), 0.00%, 07/01/21 <sup>(b)</sup>                       | 2,325        | 2,185,802    |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 07/01/25  | 4,465        | 5,144,975    |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 07/01/24  | 1,785        | 2,025,065    |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 07/01/26  | 6,085        | 7,080,445    |
| School Facilities Construction, Series KK, 5.00%, 03/01/38  | 325          | 336,482      |
| Series WW, 5.25%, 06/15/33  | 380          | 412,885      |
| Series WW, 5.00%, 06/15/34  | 5,500        | 5,872,955    |
| Series WW, 5.00%, 06/15/36  | 3,115        | 3,304,517    |
| Series WW, 5.25%, 06/15/40  | 8,375        | 8,875,574    |
| New Jersey EDA, Refunding RB:<br>Cigarette Tax, 5.00%, 06/15/24   | 5,000        | 5,380,650    |
| Cigarette Tax, 5.00%, 06/15/26  | 1,250        | 1,337,663    |
| Cigarette Tax, 5.00%, 06/15/28  | 2,430        | 2,583,527    |
| Cigarette Tax, 5.00%, 06/15/29  | 3,195        | 3,388,425    |
| School Facilities Construction, Series N-1 (NPFGC), 5.50%, 09/01/27   | 1,000        | 1,194,440    |
| School Facilities Construction, Series NN, 5.00%, 03/01/29  | 5,000        | 5,337,250    |
| Sub Series A, 5.00%, 07/01/33   | 3,875        | 4,175,080    |
| Sub Series A, 4.00%, 07/01/34   | 8,800        | 8,650,576    |

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|   |        |             |
|---|--------|-------------|
| Sub-Series A, 4.00%, 07/01/32   | 5,000  | 4,989,550   |
| State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 06/15/19 <sup>(a)</sup>    | 1,580  | 1,600,682   |
|   |        | 110,034,060 |
| <b>Tobacco 3.5%</b>   |        |             |
| Tobacco Settlement Financing Corp., Refunding RB:   |        |             |
| Series A, 5.25%, 06/01/46   | 1,960  | 2,072,347   |
| Sub-Series B, 5.00%, 06/01/46   | 13,815 | 13,756,977  |
|   |        | 15,829,324  |
| <b>Transportation 36.7%</b>   |        |             |
| Delaware River Port Authority, RB:  |        |             |
| 5.00%, 01/01/29   | 2,000  | 2,242,340   |
| 5.00%, 01/01/37   | 8,830  | 9,727,658   |
| Series D, 5.05%, 01/01/20 <sup>(a)</sup>  | 1,430  | 1,473,758   |
| Series D (AGM), 5.00%, 01/01/20 <sup>(a)</sup>  | 5,200  | 5,356,832   |
| New Brunswick Parking Authority, Refunding RB, City Guaranteed, Series B (AGM), 3.00%, 09/01/39 | 2,500  | 2,260,825   |
| New Jersey EDA, RB, Goethals Bridge Replacement Project, AMT, Private Activity Bond:            |        |             |
| 5.38%, 01/01/43   | 7,730  | 8,302,406   |
| 5.13%, 01/01/34   | 2,290  | 2,463,903   |
| New Jersey State Turnpike Authority, RB:  |        |             |
| Series A, 5.00%, 01/01/35   | 1,440  | 1,643,558   |
| Series E, 5.00%, 01/01/45   | 8,000  | 8,787,440   |

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

**(Percentages shown are based on Net Assets)**

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Transportation (continued)</b>  |                      |              |
| New Jersey State Turnpike Authority, Refunding RB:                           |                      |              |
| Series A (AGM), 5.25%, 01/01/29  | \$ 4,000             | \$ 5,003,880 |
| Series A (AGM), 5.25%, 01/01/30  | 4,000                | 5,024,480    |
| Series A (BHAC), 5.25%, 01/01/29   | 500                  | 628,000      |
| Series B, 5.00%, 01/01/34  | 2,300                | 2,670,852    |
| Series G, 5.00%, 01/01/36  | 5,000                | 5,755,400    |
| Series G, 4.00%, 01/01/43  | 3,320                | 3,389,853    |
| New Jersey Transportation Trust Fund Authority, RB:                          |                      |              |
| CAB, Transportation System, Series A,<br>0.00%, 12/15/35 <sup>(b)</sup>      | 6,000                | 2,832,900    |
| CAB, Transportation System, Series C (AGM), 0.00%, 12/15/32 <sup>(b)</sup>   | 8,800                | 5,207,752    |
| CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/35 <sup>(b)</sup> | 4,160                | 2,003,414    |
| CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/36 <sup>(b)</sup> | 7,210                | 3,290,356    |
| Federal Highway Reimbursement Revenue Notes, Series A, 5.00%, 06/15/30       | 2,250                | 2,502,833    |
| Transportation Program, Series AA,<br>5.00%, 06/15/33                        | 3,000                | 3,121,200    |
| Transportation Program, Series AA,<br>5.25%, 06/15/33                        | 5,690                | 6,051,599    |
| Transportation Program, Series AA,<br>5.25%, 06/15/34                        | 1,305                | 1,411,775    |
| Transportation Program, Series AA,<br>5.00%, 06/15/38                        | 2,340                | 2,452,999    |
| Transportation System, Series A,<br>6.00%, 06/15/35                          | 6,365                | 6,804,885    |
| Transportation System, Series A,<br>5.00%, 06/15/42                          | 5,000                | 5,144,550    |
| Transportation System, Series A (NPFGC),<br>5.75%, 06/15/24                  | 1,205                | 1,398,439    |
| Transportation System, Series B,<br>5.25%, 06/15/36                          | 2,500                | 2,605,825    |
| Transportation System, Series D,<br>5.00%, 06/15/32                          | 3,300                | 3,531,330    |
| New Jersey Transportation Trust Fund Authority, Refunding RB, Series A:      |                      |              |
| Federal Highway Reimbursement,<br>5.00%, 06/15/31                            | 6,730                | 7,439,813    |
| Transportation System, 5.00%, 12/15/32                                       | 4,285                | 4,671,378    |
| Transportation System, 5.00%, 12/15/35                                       | 2,435                | 2,627,633    |
| New Jersey Turnpike Authority, Refunding RB:                                 |                      |              |
| Series B, 5.00%, 01/01/40  | 9,740                | 11,016,719   |
| Series E, 5.00%, 01/01/32  | 3,715                | 4,358,549    |

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|  |              |              |
|--|--------------|--------------|
| Port Authority of New York & New Jersey, ARB:  |              |              |
| Consolidated, 93rd Series, 6.13%, 06/01/94   | 1,000        | 1,185,120    |
| Special Project, JFK International Air Terminal LLC Project, Series 6, AMT (NPFGC), 5.75%, 12/01/25        | 3,000        | 3,121,410    |
| Special Project, JFK International Air Terminal LLC Project, Series 8, 6.00%, 12/01/42                     | 4,000        | 4,234,080    |
| Port Authority of New York & New Jersey, Refunding ARB, AMT:   |              |              |
| 178th Series, 5.00%, 12/01/33  | 4,005        | 4,439,983    |
| Consolidated, 206th Series, 5.00%, 11/15/42  | 3,110        | 3,467,339    |
| Consolidated, 206th Series, 5.00%, 11/15/47  | 3,475        | 3,860,378    |
| South Jersey Port Corp., Refunding ARB, Marine Terminal, Series B:   |              |              |
| 5.00%, 01/01/42  | 3,000        | 3,185,880    |
| 5.00%, 01/01/48  | 1,500        | 1,586,070    |
|  |              | 168,285,394  |
| <b>Utilities 5.6%</b>  |              |              |
| County of Essex New Jersey Utilities Authority, Refunding RB, (AGC), 4.13%, 04/01/22                       | 2,000        | 2,007,100    |
| North Hudson New Jersey Sewerage Authority, Refunding RB, Series A (NPFGC), 5.13%, 08/01/20 <sup>(c)</sup> | 6,045        | 6,342,233    |
| Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC) <sup>(b)</sup> :                               |              |              |
| 0.00%, 09/01/26  | 4,100        | 3,394,103    |
| 0.00%, 09/01/28  | 6,600        | 5,095,662    |
| 0.00%, 09/01/29  | 9,650        | 7,176,608    |
| 0.00%, 09/01/33  | 2,350        | 1,477,375    |
|  |              | 25,493,081   |
| <b>Total Municipal Bonds 139.3%</b>  |              |              |
| <b>(Cost \$608,368,629)</b>  |              | 638,200,992  |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(d)</sup> 25.1%</b>                        |              |              |
| <b>New Jersey 25.1%</b>  |              |              |
| <b>County/City/Special District/School District 5.9%</b>   |              |              |
| County of Union New Jersey Utilities Authority, Refunding RB, Series A, AMT:                               |              |              |
| County Deficiency Agreement,   |              |              |
| 5.00%, 06/15/41  | \$ 7,573     | \$ 8,070,210 |
| Resource Recovery Facility, Covanta Union, Inc., 5.25%, 12/01/31   | 17,300       | 18,750,000   |
|  |              | 26,820,210   |
| <b>Education 3.5%</b>  |              |              |
| Rutgers The State University of New Jersey, Refunding RB:  |              |              |
| Series F, 5.00%, 05/01/19 <sup>(a)</sup>   | 4,998        | 5,038,238    |
| Series L, 5.00%, 05/01/43  | 10,000       | 11,059,500   |
|  |              | 16,097,738   |
| <b>Health 1.4%</b>   |              |              |
| New Jersey Health Care Facilities Financing Authority, RB, Inspira Health Obligated Group, 4.00%, 07/01/47 |              |              |
|  | 6,133        | 6,228,960    |

**State 4.8%**

|  |        |            |
|--|--------|------------|
| Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%,<br>11/01/28                  | 12,460 | 15,024,392 |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series NN,<br>5.00%, 03/01/29 <sup>(e)</sup> | 6,698  | 7,149,933  |
|  |        | 22,174,325 |

**Transportation 9.5%**

|   |        |            |
|---|--------|------------|
| County of Hudson New Jersey Improvement Authority, RB, Hudson County<br>Vocational-Technical Schools Project, 5.25%, 05/01/51 | 3,120  | 3,506,755  |
| New Jersey State Turnpike Authority, RB, Series A, 5.00%, 07/01/22 <sup>(a)(e)</sup>  | 9,300  | 10,282,685 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System,<br>Series B, 5.25%, 06/15/36 <sup>(e)</sup>        | 2,661  | 2,772,992  |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, AMT:<br>163rd Series, 5.00%, 07/15/39                   | 15,545 | 16,181,843 |
| 169th Series, 5.00%, 10/15/41   | 10,000 | 10,642,350 |
|   |        | 43,386,625 |

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 25.1%**  
(Cost \$108,249,196) 114,707,858

**Total Long-Term Investments 164.4%**  
(Cost \$716,617,825) 752,908,850

*Shares*

**Short-Term Securities 0.2%**  
BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.24%<sup>(f)(g)</sup> 825,609 825,774

**Total Short-Term Securities 0.2%**  
(Cost \$825,691) 825,774

**Total Investments 164.6%**  
(Cost \$717,443,516) 753,734,624

**Other Assets Less Liabilities 0.8%** 3,879,896

**Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (13.7)%** (62,941,273)

**VRDP Shares at Liquidation Value, Net of Deferred Offering  
Costs (51.7)%** (236,637,459)

**Net Assets Applicable to Common Shares 100.0%** \$ 458,035,788

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Zero-coupon bond.
- (c) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (e) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire between June 15, 2019 to September 1, 2020, is \$13,916,017. See Note 4 of the Notes to Financial Statements for details.
- (f) Annualized 7-day yield as of period end.
- (g) During the six months ended January 31, 2019, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares<br>Held at<br>07/31/18 | Net<br>Activity | Shares<br>Held at<br>01/31/19 | Value at<br>01/31/19 | Income    | Change<br>in<br>Unrealized<br>Appreciation |              |
|--|-------------------------------|-----------------|-------------------------------|----------------------|-----------|--|--------------|
|  |                               |                 |                               |                      |           | Realized<br>Gain (Loss)                    | Depreciation |
| BlackRock Liquidity Funds,<br>MuniCash, Institutional<br>Class | 1,217,685                     | (392,076)       | 825,609                       | \$ 825,774           | \$ 24,551 | \$ 237                                     | \$ 83        |

(a) Includes net capital gain distributions, if applicable.

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

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

| Description                                    | Number of<br>Contracts | Expiration<br>Date | Notional<br>Amount<br>(000) | Value/<br>Unrealized<br>Appreciation<br>(Depreciation) |
|--|------------------------|--------------------|-----------------------------|--|
| Short Contracts:<br>10-Year U.S. Treasury Note | 152                    | 03/20/19           | \$ 18,615                   | \$ (424,738)   |

|                           |     |          |        |                |
|---------------------------|-----|----------|--------|----------------|
| Long U.S. Treasury Bond   | 186 | 03/20/19 | 27,284 | (1,178,433)    |
| 5-Year U.S. Treasury Note | 69  | 03/29/19 | 7,925  | (138,767)      |
|                           |     |          |        | \$ (1,741,938) |

### Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

|  | <i>Foreign</i>   |                  |                  |                  |                  |                  | <i>Total</i> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
|  | <i>Currency</i>  |                  |                  | <i>Interest</i>  |                  |                  |              |
|  | <i>Commodity</i> | <i>Credit</i>    | <i>Equity</i>    | <i>Exchange</i>  | <i>Rate</i>      | <i>Other</i>     |              |
|  | <i>Contract</i>  | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> |              |
| <b>Liabilities</b>                         |                  |                  |                  |                  |                  |                  |              |
| <b>Derivative Financial Instruments</b>    |                  |                  |                  |                  |                  |                  |              |
| Futures contracts                          |                  |                  |                  |                  |                  |                  |              |
| Net unrealized depreciation <sup>(a)</sup> | \$               | \$               | \$               | \$               | \$ 1,741,938     | \$               | \$ 1,741,938 |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities. For the six months ended January 31, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

|                                    | <i>Foreign</i>   |                  |                  |                  |                  |                  | <i>Total</i>   |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|                                    | <i>Currency</i>  |                  |                  | <i>Interest</i>  |                  |                  |                |
|                                    | <i>Commodity</i> | <i>Credit</i>    | <i>Equity</i>    | <i>Exchange</i>  | <i>Rate</i>      | <i>Other</i>     |                |
|                                    | <i>Contract</i>  | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> | <i>Contracts</i> |                |
| <b>Net Realized Gain (Loss)</b>    |                  |                  |                  |                  |                  |                  |                |
| <b>from:</b>                       |                  |                  |                  |                  |                  |                  |                |
| Futures contracts                  | \$               | \$               | \$               | \$               | \$ 473,575       | \$               | \$ 473,575     |
| <b>Net Change in Unrealized</b>    |                  |                  |                  |                  |                  |                  |                |
| <b>Appreciation (Depreciation)</b> |                  |                  |                  |                  |                  |                  |                |
| <b>on:</b>                         |                  |                  |                  |                  |                  |                  |                |
| Futures contracts                  | \$               | \$               | \$               | \$               | \$ (1,896,764)   | \$               | \$ (1,896,764) |





Schedule of Investments (unaudited) (continued)

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

January 31, 2019

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts – short \$ 38,326,000

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 752,908,850 | \$             | \$ 752,908,850 |
| Short-Term Securities                           | 825,774        |                |                | 825,774        |
|   | \$ 825,774     | \$ 752,908,850 | \$             | \$ 753,734,624 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Liabilities:                                    |                |                |                |                |
| Interest rate contracts                         | \$ (1,741,938) | \$             | \$             | \$ (1,741,938) |

<sup>(a)</sup> See above Schedule of Investments for values in each sector.

<sup>(b)</sup> Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|              | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|--------------|----------------|----------------|----------------|--------------|
| Liabilities: |                |                |                |              |

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|                                  |    |                  |    |                  |
|----------------------------------|----|------------------|----|------------------|
| TOB Trust Certificates           | \$ | \$ (62,747,370)  | \$ | \$ (62,747,370)  |
| VRDP Shares at Liquidation Value |    | (237,100,000)    |    | (237,100,000)    |
|                                  | \$ | \$ (299,847,370) | \$ | \$ (299,847,370) |

During the six months ended January 31, 2019, there were no transfers between levels.

*See notes to financial statements.*

SCHEDULES OF INVESTMENTS

25

Schedule of Investments (unaudited)

BlackRock MuniYield Investment Quality Fund (MFT)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Municipal Bonds 127.4%</b>   |                      |              |
| <b>Alabama 4.2%</b>   |                      |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s<br>Hospital (AGC) <sup>(a)</sup> : |                      |              |
| 6.00%, 06/01/19   | \$ 2,985             | \$ 3,026,103 |
| 6.13%, 06/01/19   | 1,500                | 1,521,270    |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project,<br>Series A, 5.38%, 12/01/35       | 350                  | 376,177      |
|   |                      | 4,923,550    |
| <b>Arizona 0.2%</b>   |                      |              |
| County of Maricopa IDA, Refunding RB, Honorhealth, Series A, 4.13%, 09/01/38  | 270                  | 273,729      |
| <b>California 18.2%</b>   |                      |              |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%,<br>08/15/20 <sup>(a)</sup>          | 1,150                | 1,227,648    |
| California Municipal Finance Authority, ARB, Senior Lien-Linxs APM Project, AMT,<br>4.00%, 12/31/47                       | 780                  | 766,834      |
| City & County of San Francisco California Airports Commission, Refunding ARB, AMT,<br>Series A:                           |                      |              |
| 2nd, 5.50%, 05/01/28  | 720                  | 817,884      |
| 2nd, 5.25%, 05/01/33  | 560                  | 625,419      |
| 5.00%, 05/01/44   | 745                  | 815,224      |
| City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International<br>Airport SJC, Series A-1, AMT:       |                      |              |
| 5.50%, 03/01/30   | 1,600                | 1,705,488    |
| 6.25%, 03/01/34   | 1,250                | 1,349,987    |
| County of Riverside Public Financing Authority, RB, Capital Facilities Project,<br>5.25%, 11/01/40                        | 2,000                | 2,323,040    |
| Kern Community College District, GO, Safety, Repair & Improvement, Series C,<br>5.50%, 11/01/33                           | 970                  | 1,124,725    |
| Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 08/01/21 <sup>(a)</sup>                     | 1,000                | 1,098,760    |
| Regents of the University of California Medical Center Pooled Revenue, Refunding RB,<br>Series J:                         |                      |              |
| 5.25%, 05/15/23 <sup>(a)</sup>  | 1,740                | 2,001,696    |
| 5.25%, 05/15/38   | 495                  | 552,900      |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC),<br>5.38%, 08/01/19 <sup>(a)</sup>    | 1,020                | 1,039,288    |
| State of California, GO, Various Purposes (AGC), 5.50%, 11/01/39  | 3,450                | 3,538,078    |
| State of California Public Works Board, LRB, Various Capital Projects, Series I,<br>5.50%, 11/01/31                       | 1,000                | 1,140,040    |
|   | 490                  | 549,481      |

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|   |     |            |
|---|-----|------------|
| State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 09/01/33 |     |            |
| Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 08/01/40           | 370 | 429,304    |
|   |     | 21,105,796 |

**Colorado 2.4%**

|  |       |           |
|--|-------|-----------|
| City & County of Denver Colorado, RB, Capital Appreciation Bonds Series, Series A-2, 0.00%, 08/01/38 <sup>(b)</sup>    | 835   | 382,071   |
| City & County of Denver Colorado Airport System, ARB, Series A, AMT: 5.50%, 11/15/28                                   | 500   | 566,690   |
| 5.50%, 11/15/30  | 225   | 253,606   |
| 5.50%, 11/15/31  | 270   | 303,680   |
| Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 05/15/19 <sup>(a)</sup> | 1,300 | 1,315,860 |
|  |       | 2,821,907 |

**Connecticut 0.3%**

|   |     |         |
|---|-----|---------|
| Connecticut Housing Finance Authority, Refunding RB, S/F Housing, Sub-Series B-1, 4.00%, 05/15/45 | 380 | 381,683 |
|---|-----|---------|

|                 |              |              |
|-----------------|--------------|--------------|
|                 | <i>Par</i>   |              |
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |

**Florida 13.5%**

|   |        |            |
|---|--------|------------|
| County of Broward Florida Airport System, ARB, Series A, AMT, 5.00%, 10/01/45   | \$ 575 | \$ 627,590 |
| County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29             | 1,170  | 1,323,949  |
| County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32  | 1,000  | 1,068,290  |
| County of Lee Florida HFA, RB, S/F Housing, Multi-County Program, Series A-2, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 6.00%, 09/01/40 | 55     | 55,390     |
| County of Manatee Florida HFA, RB, S/F Housing, Series A, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 5.90%, 09/01/40                     | 35     | 35,066     |
| County of Miami-Dade Florida, RB, Seaport Department:   |        |            |
| Series A, 6.00%, 10/01/38   | 1,840  | 2,104,905  |
| Series A, 5.50%, 10/01/42   | 2,125  | 2,366,974  |
| Series B, AMT, 6.00%, 10/01/26  | 590    | 680,252    |
| Series B, AMT, 6.00%, 10/01/27  | 775    | 892,079    |
| Series B, AMT, 6.25%, 10/01/38  | 310    | 356,097    |
| Series B, AMT, 6.00%, 10/01/42  | 410    | 467,101    |
| County of Miami-Dade Florida, Refunding RB:   |        |            |
| Seaport Department, Series D, AMT, 6.00%, 10/01/26  | 735    | 846,735    |
| Water & Sewer System, Series B, 5.25%, 10/01/29   | 500    | 566,445    |
| County of Miami-Dade Florida Aviation, Refunding ARB, Series A, AMT, 5.00%, 10/01/31  | 2,165  | 2,338,849  |
| County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project, 5.00%, 08/01/41          | 1,000  | 1,067,520  |
| Reedy Creek Florida Improvement District, GO, Series A, 5.25%, 06/01/32   | 710    | 800,418    |
|   |        | 15,597,660 |

**Hawaii 2.0%**

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|  |       |           |
|--|-------|-----------|
| State of Hawaii Airports System, ARB, Series A, AMT, 5.00%, 07/01/45   | 1,000 | 1,099,260 |
| State of Hawaii Airports System, COP, AMT:<br>5.25%, 08/01/25  | 250   | 279,375   |
| 5.25%, 08/01/26  | 810   | 900,801   |
|  |       | 2,279,436 |
| <b>Idaho 0.7%</b>  |       |           |
| Idaho Health Facilities Authority, RB, Trinity Health Credit Group, 4.00%, 12/01/43 <sup>(c)</sup>                               | 605   | 609,368   |
| Idaho Health Facilities Authority, Refunding RB, St. Luke's Health System Project, Series A,<br>4.00%, 03/01/43                  | 40    | 39,330    |
| Idaho State Building Authority, RB, Department of Health And Welfare Project, 4.00%,<br>09/01/48                                 | 215   | 218,103   |
|  |       | 866,801   |
| <b>Illinois 17.7%</b>  |       |           |
| City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series<br>A, AMT, 5.00%, 01/01/41               | 1,010 | 1,087,659 |
| City of Chicago Illinois O'Hare International Airport, GARB, 3rd Lien:<br>Series A, 5.75%, 01/01/21 <sup>(a)</sup>               | 645   | 694,214   |
| Series A, 5.75%, 01/01/39  | 125   | 132,545   |
| Series C, 6.50%, 01/01/21 <sup>(a)</sup>   | 3,680 | 4,011,678 |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36  | 1,000 | 1,056,570 |
| City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration,<br>Section 5309 (AGM), 5.00%, 06/01/28 | 3,000 | 3,097,440 |
| City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 01/01/42  | 1,375 | 1,438,497 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Illinois (continued)</b>   |                      |              |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago:                          |                      |              |
| 5.50%, 12/01/38   | \$ 1,000             | \$ 1,042,430 |
| 5.25%, 12/01/43   | 1,190                | 1,225,641    |
| Illinois Finance Authority, RB, Series A:   |                      |              |
| Carle Foundation, 6.00%, 08/15/41   | 1,555                | 1,690,440    |
| Chicago LLC, University of Illinois at Chicago Project, 5.00%, 02/15/37   | 480                  | 519,082      |
| Railsplitter Tobacco Settlement Authority, RB <sup>(a)</sup> :  |                      |              |
| 5.50%, 06/01/21   | 940                  | 1,019,270    |
| 6.00%, 06/01/21   | 270                  | 295,831      |
| State of Illinois, GO:  |                      |              |
| 5.25%, 02/01/32   | 1,000                | 1,044,550    |
| 5.50%, 07/01/33   | 1,500                | 1,582,605    |
| 5.50%, 07/01/38   | 280                  | 292,208      |
| State of Illinois, GO, Refunding, Series B, 5.00%, 10/01/27   | 235                  | 254,907      |
|   |                      | 20,485,567   |
| <b>Indiana 0.3%</b>   |                      |              |
| State of Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 07/01/40 |                      |              |
|   | 375                  | 396,221      |
| <b>Louisiana 1.7%</b>   |                      |              |
| Lake Charles Louisiana Harbor & Terminal District, RB, Series B, AMT (AGM),                                       |                      |              |
| 5.50%, 01/01/29   | 1,000                | 1,124,950    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%,                                  |                      |              |
| 05/15/29  | 805                  | 811,794      |
|   |                      | 1,936,744    |
| <b>Maryland 0.6%</b>  |                      |              |
| Maryland Community Development Administration, Refunding RB, S/F Housing, Series A,                               |                      |              |
| 4.10%, 09/01/38   | 645                  | 656,668      |
| <b>Massachusetts 1.6%</b>   |                      |              |
| Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A,                                    |                      |              |
| 5.00%, 01/01/47   | 645                  | 691,046      |
| Massachusetts Development Finance Agency, Refunding RB, Emerson College,  |                      |              |
| 5.00%, 01/01/41   | 525                  | 555,765      |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42   |                      |              |
|   | 620                  | 624,018      |
|   |                      | 1,870,829    |
| <b>Michigan 2.1%</b>  |                      |              |
| City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM):                               |                      |              |

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|   |              |              |
|---|--------------|--------------|
| 6.25%, 07/01/19 <sup>(a)</sup>  | 1,795        | 1,828,118    |
| 6.25%, 07/01/36   | 5            | 5,085        |
| Michigan Strategic Fund, RB, I-75 Improvement Projects, AMT, 5.00%, 06/30/48  | 515          | 558,965      |
|   |              | 2,392,168    |
| <b>Minnesota 3.2%</b>   |              |              |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series A, 4.00%, 11/15/48  | 360          | 359,359      |
| Duluth EDA, Refunding RB, Essentia Health Obligated Group, Series A: 4.25%, 02/15/48  | 2,790        | 2,802,444    |
| 5.25%, 02/15/58   | 475          | 523,032      |
|   |              | 3,684,835    |
| <b>Mississippi 1.5%</b>   |              |              |
| Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40   | 1,190        | 1,409,151    |
| Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 08/01/23 <sup>(a)</sup> | 260          | 299,023      |
|   |              | 1,708,174    |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Nevada 3.4%</b>  |              |              |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 07/01/39  | \$ 2,375     | \$ 2,436,489 |
| County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 07/01/19 <sup>(a)</sup>   | 1,500        | 1,522,230    |
|   |              | 3,958,719    |
| <b>New Jersey 8.2%</b>  |              |              |
| New Jersey EDA, RB, Goethals Bridge Replacement Project, AMT, Private Activity Bond: 5.38%, 01/01/43  | 1,000        | 1,074,050    |
| (AGM), 5.00%, 01/01/31  | 530          | 575,257      |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 07/01/38   | 1,400        | 1,420,538    |
| New Jersey Transportation Trust Fund Authority, RB: Transportation Program Bonds, Series S, 5.00%, 06/15/46   | 1,885        | 1,979,231    |
| Transportation System, Series AA, 5.50%, 06/15/39   | 1,600        | 1,696,464    |
| New Jersey Turnpike Authority, RB, Series A, 4.00%, 01/01/48 <sup>(c)</sup>   | 550          | 559,444      |
| Tobacco Settlement Financing Corp., Refunding RB: Series A, 5.00%, 06/01/35   | 525          | 578,387      |
| Series A, 5.00%, 06/01/46   | 1,255        | 1,297,444    |
| Sub-Series B, 5.00%, 06/01/46   | 315          | 313,677      |
|   |              | 9,494,492    |
| <b>New York 8.1%</b>  |              |              |
| City of New York Transitional Finance Authority Future Tax Secured, RB, Future Tax Secured, Series A, Sub-Series E-1, 5.00%, 02/01/36                   | 1,500        | 1,717,500    |
| City of New York Water & Sewer System, Refunding RB, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40   | 1,545        | 1,565,703    |



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|  |       |           |
|--|-------|-----------|
| New York State Dormitory Authority, Refunding RB, Series A, 5.00%, 03/15/45  | 1,530 | 1,744,078 |
| New York State Urban Development Corp., RB, Personal Income Tax Revenue, 4.00%, 03/15/47   | 1,000 | 1,030,590 |
| New York Transportation Development Corp., ARB, LaGuardia Airport Terminal B Redevelopment Project, Series A, AMT, 5.25%, 01/01/50                         | 600   | 637,926   |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 07/15/36  | 2,500 | 2,650,925 |
|  |       | 9,346,722 |
| <b>Ohio 1.7%</b>   |       |           |
| Ohio Housing Finance Agency, RB, S/F Housing, Series A (Ginnie Mae, Fannie Mae & Freddie Mac), 4.00%, 09/01/48   | 255   | 256,099   |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 02/15/31   | 1,500 | 1,670,010 |
|  |       | 1,926,109 |
| <b>Oklahoma 1.1%</b>   |       |           |
| Norman Regional Hospital Authority, Refunding RB, 5.00%, 09/01/37  | 400   | 442,416   |
| Oklahoma Development Finance Authority, RB, Provident Oklahoma Education Resources, Inc., Cross Village Student Housing Project, Series A, 5.25%, 08/01/57 | 915   | 852,798   |
|  |       | 1,295,214 |
| <b>Oregon 0.2%</b>   |       |           |
| County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 <sup>(b)</sup>                                       | 475   | 219,298   |
| <b>Pennsylvania 0.8%</b>   |       |           |
| Pennsylvania Housing Finance Agency, RB, S/F Housing Mortgage, Series 123-B, 4.00%, 10/01/42   | 935   | 936,795   |

## Schedule of Investments (unaudited) (continued)

## BlackRock MuniYield Investment Quality Fund (MFT)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Rhode Island 1.3%</b>  |                      |              |
| Rhode Island Student Loan Authority, Refunding RB, Senior-Series A, AMT, 3.50%, 12/01/34  | \$ 475               | \$ 479,299   |
| Tobacco Settlement Financing Corp., Refunding RB, Series A, 5.00%, 06/01/40   | 950                  | 982,708      |
|   |                      | 1,462,007    |
| <b>South Carolina 12.0%</b>   |                      |              |
| County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38  | 1,470                | 1,661,188    |
| County of Charleston South Carolina Airport District, ARB, Series A, AMT: 5.50%, 07/01/26   | 1,810                | 2,060,413    |
| 6.00%, 07/01/38   | 1,155                | 1,314,436    |
| 5.50%, 07/01/41   | 1,000                | 1,110,340    |
| South Carolina Jobs EDA, Refunding RB: Anmed Health Projects, 5.00%, 02/01/38   | 2,710                | 2,914,903    |
| Prisma Health Obligated Group, Series A, 5.00%, 05/01/43  | 800                  | 872,224      |
| Prisma Health Obligated Group, Series A, 5.00%, 05/01/48  | 715                  | 776,075      |
| State of South Carolina Ports Authority, RB, AMT, 5.25%, 07/01/50   | 750                  | 814,868      |
| State of South Carolina Public Service Authority, RB, Series E, 5.50%, 12/01/53   | 40                   | 42,661       |
| State of South Carolina Public Service Authority, Refunding RB: Series C, 5.00%, 12/01/46   | 1,795                | 1,890,207    |
| Series E, 5.25%, 12/01/55   | 425                  | 454,338      |
|   |                      | 13,911,653   |
| <b>Texas 16.9%</b>  |                      |              |
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 03/01/37   | 930                  | 1,033,435    |
| City of Frisco Texas ISD, GO, School Building (AGM), 5.50%, 08/15/41  | 1,210                | 1,231,586    |
| City of Houston Texas Combined Utility System, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(a)</sup> : 6.00%, 05/15/19         | 2,560                | 2,591,078    |
| 6.00%, 05/15/19   | 140                  | 141,721      |
| City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(a)</sup> : 5.38%, 05/15/19 | 950                  | 959,889      |
| 5.38%, 05/15/19   | 50                   | 50,528       |
| 6.00%, 05/15/19   | 1,945                | 1,968,612    |
| 6.00%, 05/15/19   | 110                  | 111,352      |
| Dallas-Fort Worth International Airport, Refunding ARB, Joint Revenue, Series E, AMT, 5.50%, 11/01/27                                   | 2,500                | 2,852,500    |
| Dallas-Fort Worth Texas International Airport, ARB, Joint Improvement, Series H, AMT, 5.00%, 11/01/37                                   | 980                  | 1,034,880    |

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|  |              |              |
|--|--------------|--------------|
| Lower Colorado River Authority, Refunding RB, 5.50%, 05/15/33  | 730          | 825,002      |
| North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 09/01/21 <sup>(a)</sup>  | 2,120        | 2,317,605    |
| North Texas Tollway Authority, Refunding RB:<br>4.25%, 01/01/49  | 2,335        | 2,403,019    |
| 1st Tier (AGM), 6.00%, 01/01/21 <sup>(a)</sup>   | 1,000        | 1,079,010    |
| Red River Texas Education Financing Corp., RB, Texas Christian University Project,<br>5.25%, 03/15/38  | 420          | 467,149      |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, Blueridge<br>Transportation Group, AMT, 5.00%, 12/31/55                 | 525          | 554,773      |
|  |              | 19,622,139   |
| <b>Virginia 0.3%</b>   |              |              |
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 01/01/43   | 380          | 410,031      |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>Washington 2.5%</b>   |              |              |
| City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%,<br>02/01/21 <sup>(a)</sup>                                      | \$ 1,000     | \$ 1,069,840 |
| State of Washington, GO, Various Purposes,<br>Series B, 5.25%, 02/01/21 <sup>(a)</sup>   | 725          | 775,634      |
| Washington State Housing Finance Commission, Refunding RB, Horizon House Project,<br>5.00%, 01/01/43 <sup>(d)</sup>                                | 1,000        | 1,040,050    |
|  |              | 2,885,524    |
| <b>West Virginia 0.1%</b>  |              |              |
| West Virginia Hospital Finance Authority, RB, Improvement, West Virginia University<br>Health System Obligated Group, Series A,<br>4.00%, 06/01/51 | 85           | 82,590       |
| <b>Wisconsin 0.6%</b>  |              |              |
| Wisconsin Housing & Economic Development Authority, RB, M/F Housning, WHPC<br>Madison Pool Project, Series A, 4.70%, 07/01/47                      | 660          | 682,678      |
| <b>Total Municipal Bonds 127.4%</b><br><b>(Cost \$140,745,266)</b>   |              | 147,615,739  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(e)</sup> 47.0%</b>  |              |              |
| <b>California 5.8%</b>   |              |              |
| City of Los Angeles California Department of Airports, ARB, Los Angeles International<br>Airport, Series B, AMT, 5.00%, 05/15/46                   | 2,050        | 2,257,901    |
| Fremont Union High School District, GO, Refunding Series A, 4.00%, 08/01/46  | 1,520        | 1,581,081    |
| Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment<br>District No. 2, Series A, 5.00%, 10/01/43                      | 2,565        | 2,890,900    |
|  |              | 6,729,882    |
| <b>Connecticut 1.2%</b>  |              |              |
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity<br>Health Credit Group, 5.00%, 12/01/45                        | 1,216        | 1,334,834    |

**District of Columbia 0.7%**

|  |     |         |
|--|-----|---------|
| District of Columbia Housing Finance Agency, RB, M/F Housing, Series B-2, 4.10%,<br>09/01/39 | 790 | 800,231 |
|--|-----|---------|

**Georgia 0.9%**

|  |       |           |
|--|-------|-----------|
| County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care<br>System Obligation, 4.00%, 08/15/48 | 1,025 | 1,046,042 |
|--|-------|-----------|

**Idaho 1.4%**

|   |       |           |
|---|-------|-----------|
| Idaho State Building Authority, RB, State Office Campus Project, Series A, 4.00%,<br>09/01/48 | 1,570 | 1,598,519 |
|---|-------|-----------|

**Illinois 1.0%**

|  |       |           |
|--|-------|-----------|
| State of Illinois Toll Highway Authority, RB,<br>Series C, 5.00%, 01/01/38 | 1,004 | 1,118,423 |
|--|-------|-----------|

**Nevada 5.6%**

|   |       |           |
|---|-------|-----------|
| County of Clark Nevada Water Reclamation District, GO, Series B, 5.50%, 07/01/19 <sup>(a)</sup> | 1,994 | 2,025,944 |
| Las Vegas Valley Water District, GO, Refunding, Series C, 5.00%, 06/01/28                       | 4,200 | 4,489,632 |

6,515,576

**New Jersey 2.0%**

|  |       |           |
|--|-------|-----------|
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%,<br>10/01/29 | 1,290 | 1,294,891 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B,<br>5.25%, 06/15/36 <sup>(f)</sup> | 1,000 | 1,042,478 |
|--|-------|-----------|

2,337,369

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>New York 15.9%</b>   |                      |              |
| City of New York, GO, Series D, 5.00%, 12/01/43 <sup>(f)</sup>  | \$ 2,380             | \$ 2,723,125 |
| City of New York Housing Development Corp., Refunding RB, Sustainable Neighborhood Bonds, Series A, 4.15%, 11/01/38 <sup>(c)</sup>                  | 1,740                | 1,796,689    |
| City of New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40        | 1,095                | 1,109,673    |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series BB, 5.25%, 06/15/44 | 2,999                | 3,259,490    |
| Hudson Yards Infrastructure Corp., RB, Senior-Fiscal 2012 <sup>(f)</sup> :<br>5.75%, 02/15/21 <sup>(a)</sup>  | 619                  | 666,962      |
| 5.75%, 02/15/47   | 381                  | 410,295      |
| New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43                                    | 3,000                | 3,256,696    |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(f)</sup>                                      | 1,770                | 1,936,724    |
| State of New York Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 03/15/19 <sup>(a)</sup>   | 3,250                | 3,263,748    |
|   |                      | 18,423,402   |
| <b>North Carolina 0.8%</b>  |                      |              |
| North Carolina Housing Finance Agency, RB, S/F Housing, Series 39-B (Ginnie Mae, Fannie Mae & Freddie Mac), 4.00%, 01/01/48                         | 902                  | 903,374      |
| <b>Pennsylvania 1.6%</b>  |                      |              |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42   | 1,664                | 1,903,525    |
| <b>Rhode Island 1.6%</b>  |                      |              |
| Rhode Island Health & Educational Building Corp., RB, Series A, 4.00%, 09/15/47   | 1,832                | 1,846,399    |
| <b>Texas 2.3%</b>   |                      |              |
| City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 02/01/31 <sup>(a)(f)</sup>   | 2,609                | 2,609,398    |
| <b>Utah 0.9%</b>  |                      |              |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/19 <sup>(a)</sup>  | 1,005                | 1,022,556    |
|   | <i>Par<br/>(000)</i> | <i>Value</i> |
| <i>Security</i>   |                      |              |
| <b>Virginia 1.7%</b>  |                      |              |
| Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A,   | \$ 1,668             | \$ 1,978,200 |

5.50%, 07/01/57<sup>(f)</sup>**West Virginia 1.2%**Morgantown Utility Board, Inc., RB, Series B,  
4.00%, 12/01/48<sup>(f)</sup>

1,391 1,410,100

**Wisconsin 2.4%**Wisconsin Housing & Economic Development Authority, RB, M/F Housing, Series A:  
4.10%, 11/01/43  
4.45%, 05/01/571,222 1,235,612  
1,528 1,544,542

2,780,154

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 47.0%****(Cost \$53,280,812)**

54,357,984

**Total Long-Term Investments 174.4%****(Cost \$194,026,078)**

201,973,723

*Shares***Short-Term Securities 0.4%**BlackRock Liquidity Funds, MuniCash, Institutional Class,  
1.24%<sup>(g)(h)</sup>

478,001 478,097

**Total Short-Term Securities 0.4%****(Cost \$478,097)**

478,097

**Total Investments 174.8%****(Cost \$194,504,175)**

202,451,820

**Liabilities in Excess of Other Assets (0.0)%**

(1,857)

**Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (26.0)%**

(30,097,734)

**VMTP Shares at Liquidation Value (48.8)%**

(56,500,000)

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

\$ 115,852,229

(a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(b) Zero-coupon bond.

(c) When-issued security.

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

(e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

(f) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire between February 1, 2019, to December 1, 2026, is \$7,188,603. See Note 4 of the Notes to Financial Statements for details.

(g) Annualized 7-day yield as of period end.

(h)

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During the six months ended January 31, 2019, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliate</i>  | <i>Shares<br/>Held at<br/>07/31/18</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at<br/>01/31/19</i> | <i>Value at<br/>01/31/19</i> | <i>Income</i> | <i>Change<br/>in<br/>NetUnrealized<br/>Appreciation<br/>(Depreciation)</i> |            |
|---|--|-------------------------|--|------------------------------|---------------|--|------------|
|   |  |                         |  |                              |               | <i>Realized<br/>Gain (Loss)</i>  | <i>Net</i> |
| BlackRock Liquidity Funds,<br>MuniCash, Institutional Class | 477,450                                | 551                     | 478,001                                | \$ 478,097                   | \$ 7,532      | \$ 283   | \$         |

(a) Includes net capital gain distributions, if applicable.

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

January 31, 2019

**Derivative Financial Instruments Outstanding as of Period End****Futures Contracts**

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
| Short Contracts:           |                                |                            |                                  |  |
| 10-Year U.S. Treasury Note | 13                             | 03/20/19                   | \$ 1,592                         | \$ (28,345)  |
| Long U.S. Treasury Bond    | 40                             | 03/20/19                   | 5,868                            | (226,803)  |
| 5-Year U.S. Treasury Note  | 13                             | 03/29/19                   | 1,493                            | (23,576)   |
|                            |                                |                            |                                  | \$ (278,724)   |

**Derivative Financial Instruments Categorized by Risk Exposure**

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

| <b>Liabilities</b> | <b>Derivative Financial<br/>Instruments</b> | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|--------------------|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
|                    | Futures contracts                           |                                |                             |                             |  |  |                            |              |
|                    | Net unrealized depreciation <sup>(a)</sup>  | \$                             | \$                          | \$                          | \$   | \$ 278,724                             | \$                         | \$ 278,724   |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities. For the six months ended January 31, 2019, the effect of derivative financial instruments in the Statements of Operations were as follows:

| <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|



*Contracts***Net Realized Gain (Loss) from:**

|                   |    |    |    |    |           |    |           |
|-------------------|----|----|----|----|-----------|----|-----------|
| Futures contracts | \$ | \$ | \$ | \$ | \$ 36,883 | \$ | \$ 36,883 |
|-------------------|----|----|----|----|-----------|----|-----------|

**Net Change in Unrealized  
Appreciation (Depreciation)  
on:**

|                   |    |    |    |    |              |    |              |
|-------------------|----|----|----|----|--------------|----|--------------|
| Futures contracts | \$ | \$ | \$ | \$ | \$ (297,792) | \$ | \$ (297,792) |
|-------------------|----|----|----|----|--------------|----|--------------|

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts short \$ 6,805,309

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| <b>Assets:</b>  |                |                |                |                |
| <b>Investments:</b>                                   |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>                  | \$             | \$ 201,973,723 | \$             | \$ 201,973,723 |
| Short-Term Securities                                 | 478,097        |                |                | 478,097        |
|   | \$ 478,097     | \$ 201,973,723 | \$             | \$ 202,451,820 |
| <b>Derivative Financial Instruments<sup>(b)</sup></b> |                |                |                |                |
| <b>Liabilities:</b>                                   |                |                |                |                |
| Interest rate contracts                               | \$ (278,724)   | \$             | \$             | \$ (278,724)   |

<sup>(a)</sup> See above Schedule of Investments for values in each state.

<sup>(b)</sup> Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

Schedule of Investments (unaudited) (continued)

**BlackRock MuniYield Investment Quality Fund (MFT)**

January 31, 2019

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                  | <i>Level 1</i> | <i>Level 2</i>  | <i>Level 3</i> | <i>Total</i>    |
|----------------------------------|----------------|-----------------|----------------|-----------------|
| Liabilities:                     |                |                 |                |                 |
| TOB Trust Certificates           | \$             | \$ (29,988,610) | \$             | \$ (29,988,610) |
| VMTP Shares at Liquidation Value |                | (56,500,000)    |                | (56,500,000)    |
|                                  | \$             | \$ (86,488,610) | \$             | \$ (86,488,610) |

During the six months ended January 31, 2019, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i>  |
|--|----------------------|---------------|
| <b>Municipal Bonds 139.6%</b>  |                      |               |
| <b>Michigan 139.6%</b>   |                      |               |
| <b>Corporate 3.8%</b>  |                      |               |
| County of Monroe Michigan EDC, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 09/01/22          | \$ 14,500            | \$ 16,914,975 |
| <b>County/City/Special District/School District 28.4%</b>  |                      |               |
| Anchor Bay School District, GO, Refunding, (Q-SBLF):   |                      |               |
| 4.38%, 05/01/27  | 1,600                | 1,680,336     |
| 4.50%, 05/01/29  | 1,505                | 1,579,257     |
| Battle Creek School District Michigan, GO, Refunding, (Q-SBLF):  |                      |               |
| 5.00%, 05/01/35  | 1,100                | 1,242,956     |
| 5.00%, 05/01/36  | 1,500                | 1,689,735     |
| 5.00%, 05/01/37  | 1,170                | 1,313,150     |
| Berkley School District, GO, School Building & Site (Q-SBLF), 5.00%, 05/01/35  | 2,965                | 3,339,657     |
| Byron Center Public Schools, GO, School Building & Site, Series I (Q-SBLF):  |                      |               |
| 5.00%, 05/01/43  | 4,475                | 5,023,277     |
| 5.00%, 05/01/47  | 740                  | 823,317       |
| Columbia Michigan School District, GO, Unlimited Tax, School Building & Site (Q-SBLF), 5.00%, 05/01/38               | 5,185                | 5,746,328     |
| Comstock Park Michigan Public Schools, GO, School Building & Site, Series B (Q-SBLF), 5.50%, 05/01/21 <sup>(a)</sup> | 3,385                | 3,664,296     |
| Country of Saginaw Michigan, GO, 4.00%, 11/01/42   | 2,000                | 2,059,460     |
| County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 05/01/19   | 1,000                | 1,007,820     |
| Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 05/01/39         | 5,300                | 5,343,460     |
| Dearborn School District, GO, School Building & Site, Series A (Q-SBLF):   |                      |               |
| 5.00%, 05/01/32  | 1,500                | 1,685,925     |
| 5.00%, 05/01/33  | 1,600                | 1,792,192     |
| 5.00%, 05/01/34  | 1,200                | 1,340,712     |
| Dowagiac Union School District, GO, (Q-SBLF), 5.00%, 05/01/41  | 1,140                | 1,252,313     |
| East Lansing School District, GO, School Building & Site, Series I (Q-SBLF):   |                      |               |
| 5.00%, 05/01/36  | 550                  | 630,201       |
| 5.00%, 05/01/37  | 550                  | 625,466       |
| 5.00%, 05/01/39  | 740                  | 833,506       |
| 5.00%, 05/01/42  | 1,000                | 1,114,870     |
| Farmington Public School District, GO, Refunding, School Building & Site (AGM):                                      |                      |               |
| 5.00%, 05/01/33  | 1,500                | 1,702,425     |
| 5.00%, 05/01/34  | 1,500                | 1,698,735     |
| 5.00%, 05/01/35  | 1,000                | 1,131,870     |
| Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%, 10/01/41                        | 4,950                | 5,348,277     |

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|   |              |              |
|---|--------------|--------------|
| Fraser Public School District, Refunding, GO, School Building & Site (Q-SBLF):                            |              |              |
| 5.00%, 05/01/38   | 750          | 843,615      |
| 5.00%, 05/01/43   | 2,000        | 2,222,140    |
| 5.00%, 05/01/47   | 3,225        | 3,575,880    |
| Gibraltar School District, GO, (Q-SBLF):  |              |              |
| 5.00%, 05/01/35   | 1,000        | 1,151,620    |
| 5.00%, 05/01/36   | 750          | 861,765      |
| Goodrich Area School District, GO, School Building & Site (Q-SBLF):                                       |              |              |
| 5.50%, 05/01/21 <sup>(a)</sup>  | 1,540        | 1,665,294    |
| 5.50%, 05/01/36   | 460          | 495,001      |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>County/City/Special District/School District (continued)</b>   |              |              |
| Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF):                              |              |              |
| 5.50%, 05/01/21 <sup>(a)</sup>  | \$ 2,575     | \$ 2,787,463 |
| 5.50%, 05/01/32   | 1,000        | 1,080,210    |
| Grand Rapids Public Schools, GO, Refunding Unlimited Tax (AGM), 5.00%, 05/01/29                           | 1,000        | 1,177,790    |
| Grandville Public Schools, GO, School Building & Site, Series II (AGM), 5.00%, 05/01/40                   | 3,250        | 3,599,765    |
| Gull Lake Community School District, GO, School Building & Site, Series I (Q-SBLF), 5.00%, 05/01/45       | 4,000        | 4,486,840    |
| Hudsonville Michigan Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 05/01/21 <sup>(a)</sup>  | 6,750        | 7,277,782    |
| Hudsonville Public Schools, GO, Refunding Unlimited Tax (Q-SBLF):   |              |              |
| 5.00%, 05/01/38   | 1,835        | 2,066,871    |
| 5.00%, 05/01/40   | 2,450        | 2,742,653    |
| Jackson Michigan Public Schools, GO, School Building & Site (Q-SBLF), 5.00%, 05/01/42                     | 4,000        | 4,486,840    |
| Kentwood Public Schools, GO, School Building & Site:  |              |              |
| 5.00%, 05/01/41   | 1,120        | 1,236,390    |
| 5.00%, 05/01/44   | 1,815        | 1,997,480    |
| Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 05/01/43                      | 5,000        | 5,521,150    |
| Mattawan Consolidated School District, GO, Series I (Q-SBLF), 5.00%, 05/01/39                             | 3,375        | 3,758,501    |
| Portage Public Schools, GO, Refunding School Building & Site, 5.00%, 11/01/37                             | 1,250        | 1,408,988    |
| Romeo Community School District, GO, Refunding School Building & Site, Series 1 (Q-SBLF), 5.00%, 05/01/41 | 2,000        | 2,213,240    |
| Troy School District, GO, School Building & Site (Q-SBLF), 5.00%, 05/01/28                                | 2,000        | 2,268,140    |
| Walled Lake Consolidated School District, GO, School Building & Site (Q-SBLF):                            |              |              |
| 5.00%, 05/01/37   | 2,850        | 3,174,729    |
| 5.00%, 05/01/40   | 2,630        | 2,925,901    |
| 5.00%, 05/01/43   | 1,530        | 1,698,530    |
| West Bloomfield School District, GO, School Building & Site (AGM), 5.00%, 05/01/35                        | 1,800        | 2,053,998    |
| Zeeland Public Schools, GO, School Building & Site, Series A (AGM):                                       |              |              |
| 5.00%, 05/01/33   | 1,000        | 1,133,100    |
| 5.00%, 05/01/34   | 1,000        | 1,130,650    |
| 5.00%, 05/01/35   | 1,000        | 1,128,810    |
|   |              | 125,840,677  |
| <b>Education 22.9%</b>  |              |              |
| City of Grand Rapids Michigan, EDC, RB, Ferris State University Project, Series A, 5.50%, 10/01/35        |              |              |
|   | 760          | 803,366      |
| Eastern Michigan University, Refunding RB, Series A (BAM), 5.00%, 03/01/36                                |              |              |
|   | 500          | 565,105      |

|  |       |           |
|--|-------|-----------|
| Ferris State University, Refunding RB:                             |       |           |
| 5.00%, 10/01/41  | 2,250 | 2,487,645 |
| General (AGM), 4.50%, 10/01/24                                     | 1,595 | 1,598,732 |
| General (AGM), 4.50%, 10/01/25                                     | 1,405 | 1,408,288 |
| Grand Valley State University, RB, 5.00%, 12/01/43                 | 1,600 | 1,798,000 |
| Lake Superior State University, RB, General (AGM), 5.00%, 01/15/48 | 3,750 | 4,121,362 |
| Michigan Finance Authority, Refunding RB:                          |       |           |
| College for Creative Studies, 4.00%, 12/01/33                      | 1,720 | 1,712,312 |
| College for Creative Studies, 5.00%, 12/01/36                      | 1,550 | 1,628,430 |
| College for Creative Studies, 5.00%, 12/01/40                      | 2,900 | 3,018,204 |
| College for Creative Studies, 5.00%, 12/01/45                      | 4,400 | 4,559,808 |
| Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/29            | 5,900 | 6,081,779 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par</i><br><i>(000)</i> | <i>Value</i> |
|---|----------------------------|--------------|
| <b>Education (continued)</b>  |                            |              |
| Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/30   | \$ 2,850                   | \$ 2,929,686 |
| Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/31   | 3,150                      | 3,223,552    |
| Michigan State University, Refunding RB, General, Series C:<br>5.00%, 02/15/40  | 8,470                      | 8,714,614    |
| 5.00%, 02/15/44   | 1,000                      | 1,028,360    |
| Michigan Technological University, RB, General, Series A, 5.00%, 10/01/45   | 1,800                      | 2,037,798    |
| Northern Michigan University, Refunding RB, General, Series A, 5.00%, 12/01/35  | 1,245                      | 1,431,974    |
| Oakland University, RB:<br>5.00%, 03/01/41  | 3,635                      | 3,990,721    |
| General, 5.00%, 03/01/32  | 400                        | 429,396      |
| General, Series A, 5.00%, 03/01/38  | 5,490                      | 5,950,227    |
| General, Series A, 5.00%, 03/01/43  | 16,845                     | 18,216,688   |
| University of Michigan, RB, Series A, 5.00%, 04/01/39   | 3,425                      | 3,905,733    |
| Wayne State University, RB, General, Series A, 5.00%, 11/15/40  | 3,000                      | 3,351,030    |
| Western Michigan University, Refunding RB, General, University and College<br>Improvements:<br>5.25%, 11/15/40        | 3,500                      | 3,822,980    |
| 5.25%, 11/15/43   | 8,475                      | 9,592,174    |
| (AGM), 5.25%, 11/15/33  | 1,000                      | 1,134,250    |
| (AGM), 5.00%, 11/15/39  | 1,750                      | 1,956,798    |
|   |                            | 101,499,012  |
| <b>Health 31.8%</b>   |                            |              |
| Grand Traverse County Hospital Finance Authority, RB:<br>Munson Healthcare Obligated Group, Series A, 5.00%, 07/01/49 | 2,610                      | 2,840,646    |
| Munson Healthcare Obligated Group, Series B, 4.00%, 07/01/49  | 2,000                      | 2,009,300    |
| Series A, 5.00%, 07/01/44   | 4,230                      | 4,548,688    |
| Series A, 5.00%, 07/01/47   | 2,200                      | 2,364,626    |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM):<br>5.25%, 05/15/20 <sup>(a)</sup>         | 4,140                      | 4,318,807    |
| 5.25%, 05/15/36   | 3,360                      | 3,473,434    |
| Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A,<br>5.00%, 11/15/29                 | 7,500                      | 8,063,175    |
| Michigan Finance Authority, RB:<br>Beaumont Health Credit Group, 4.00%, 11/01/46                                      | 1,025                      | 1,018,143    |
| Sparrow Obligated Group, 5.00%, 11/15/36  | 2,500                      | 2,681,950    |
| Sparrow Obligated Group, 5.00%, 11/15/45  | 3,750                      | 4,057,912    |
| Michigan Finance Authority, Refunding RB:<br>Henry Ford Health System, 5.00%, 11/15/37                                | 3,000                      | 3,278,400    |
| Henry Ford Health System, 5.00%, 11/15/41   | 1,000                      | 1,078,020    |
| Henry Ford Health System, 3.25%, 11/15/42   | 1,145                      | 1,002,585    |

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|  |              |              |
|--|--------------|--------------|
| Henry Ford Health System, 4.00%, 11/15/46  | 8,500        | 8,359,410    |
| Hospital, McLaren Health Care, 5.00%, 05/15/32   | 1,000        | 1,125,240    |
| Hospital, McLaren Health Care, 5.00%, 05/15/33   | 2,000        | 2,240,700    |
| Hospital, McLaren Health Care, 5.00%, 05/15/34   | 6,500        | 7,246,720    |
| Hospital, McLaren Health Care, 5.00%, 05/15/35   | 4,945        | 5,492,115    |
| Hospital; Trinity Health Credit Group, 5.00%, 12/01/39   | 4,980        | 5,299,118    |
| MidMichigan Health, 5.00%, 06/01/39  | 1,500        | 1,639,620    |
| Trinity Health Credit Group, 5.00%, 12/01/21 <sup>(a)</sup>  | 20           | 21,766       |
| Trinity Health Credit Group, 5.00%, 12/01/31   | 5,000        | 5,377,000    |
| Trinity Health Credit Group, 5.00%, 12/01/35   | 6,500        | 6,953,180    |
| Michigan State Hospital Finance Authority, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/25                             | 6,000        | 6,134,280    |
| Michigan State Hospital Finance Authority, Refunding RB:<br>Ascension Senior Credit Group, 5.00%, 11/15/47                       | 2,750        | 3,040,537    |
| Henry Ford Health System, 5.75%, 11/15/19 <sup>(a)</sup>   | 3,165        | 3,263,115    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>Health (continued)</b>  |              |              |
| Hospital, Oakwood Obligated Group, 5.00%, 11/01/32   | \$ 4,000     | \$ 4,374,400 |
| McLaren Health Care, Series A, 5.00%, 06/01/35   | 2,250        | 2,429,078    |
| Trinity Health, 6.50%, 12/01/33  | 80           | 80,109       |
| Trinity Health Credit Group, Series C, 4.00%, 12/01/32   | 5,300        | 5,462,975    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB:<br>Beaumont Health Credit Group, Series D, 5.00%, 09/01/39          | 27,365       | 29,548,453   |
| William Beaumont Hospital, Series W,<br>6.00%, 08/01/19 <sup>(a)</sup>   | 1,500        | 1,531,065    |
|  |              | 140,354,567  |
| <b>Housing 7.1%</b>  |              |              |
| Michigan State HDA, RB:<br>M/F Housing, Rental Housing Revenue, Series A, 4.45%, 10/01/34  | 1,000        | 1,034,470    |
| M/F Housing, Rental Housing Revenue, Series A, 4.63%, 10/01/39   | 3,490        | 3,594,211    |
| M/F Housing, Rental Housing Revenue, Series A, 4.75%, 10/01/44   | 5,000        | 5,138,250    |
| Williams Pavilion, AMT (Ginnie Mae), 4.75%, 04/20/37   | 3,190        | 3,192,105    |
| Michigan State Housing Development Authority, RB, Series A, M/F:<br>Housing, 4.30%, 10/01/40                                     | 3,320        | 3,395,165    |
| 4.00%, 10/01/43  | 7,420        | 7,362,124    |
| State of Michigan Housing Development Authority, RB, S/F Housing, Series C, 4.13%,<br>12/01/38                                   | 7,500        | 7,698,000    |
|  |              | 31,414,325   |
| <b>State 23.3%</b>   |              |              |
| Michigan Finance Authority, RB, Charter County of Wayne Criminal Justice Center<br>Project:<br>5.00%, 11/01/34                   | 215          | 251,279      |
| 5.00%, 11/01/38  | 2,500        | 2,851,475    |
| 5.00%, 11/01/43  | 4,000        | 4,502,000    |
| Michigan Finance Authority, Refunding RB, Detroit Regional Convention Facility<br>Authority Local Project Bonds, 5.00%, 10/01/39 | 5,400        | 6,026,454    |
| Michigan State Finance Authority, RB, Local Government Loan Program, Series F,   | 1,000        | 1,068,670    |

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5.00%, 04/01/31

Michigan Strategic Fund, RB:

|  |        |            |
|--|--------|------------|
| 1-75 Improvement Project, AMT, 5.00%, 12/31/43   | 15,000 | 16,357,650 |
| 1-75 Improvement Project, AMT (AGM), 4.25%, 12/31/38   | 14,000 | 14,191,940 |
| Michigan Senate Offices Project, Series A, 5.25%, 10/15/40   | 3,000  | 3,404,700  |
| Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%, 10/15/31     | 7,000  | 7,615,440  |
| State of Michigan, COP, (AMBAC), 0.00%, 06/01/22 <sup>(b)(c)</sup>                                 | 3,000  | 2,814,390  |
| State of Michigan Building Authority, RB, Local Government Loan Program, Series F, 5.25%, 10/01/41 | 8,595  | 9,221,919  |
| State of Michigan Building Authority, Refunding RB:  |        |            |
| Facilities Program, Series I (AGC), 5.25%, 10/15/24  | 6,000  | 6,139,680  |
| Facilities Program, Series I (AGC), 5.25%, 10/15/25  | 3,500  | 3,580,710  |
| Facilities Program, Series I (AGC), 5.25%, 10/15/26  | 1,000  | 1,022,640  |
| Facilities Program, Series I-A, 5.50%, 10/15/45  | 2,000  | 2,165,280  |
| Facilities Program, Series II (AGM), 5.00%, 10/15/26   | 7,500  | 7,658,475  |
| Series I, 5.00%, 04/15/41  | 4,750  | 5,287,178  |
| State of Michigan Trunk Line Fund, RB:   |        |            |
| 5.00%, 11/15/33  | 3,000  | 3,237,060  |
| 5.00%, 11/15/36  | 5,345  | 5,750,846  |

103,147,786



Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Transportation 5.4%</b>  |                      |              |
| Wayne County Airport Authority, ARB, Series A, 5.00%, 12/01/42  | \$ 1,000             | \$ 1,113,800 |
| Wayne County Airport Authority, RB:   |                      |              |
| Detroit Metropolitan Wayne County Airport, AMT (NPFGC), 5.00%, 12/01/39   | 1,475                | 1,610,921    |
| Series B, AMT, 5.00%, 12/01/42  | 1,000                | 1,097,070    |
| Series B, AMT, 5.00%, 12/01/47  | 1,250                | 1,368,375    |
| Series D, 5.00%, 12/01/35   | 3,850                | 4,349,769    |
| Series D, 5.00%, 12/01/45   | 5,000                | 5,547,650    |
| Wayne County Airport Authority, Refunding RB, Series F, AMT, 5.00%, 12/01/34  | 8,000                | 8,907,360    |
|   |                      | 23,994,945   |
| <b>Utilities 16.9%</b>  |                      |              |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 07/01/39                   | 2,655                | 2,860,497    |
| City of Detroit Michigan Water Supply System Revenue, RB, Series A:   |                      |              |
| Senior Lien, 5.25%, 07/01/41  | 4,325                | 4,605,390    |
| (NPFGC), 5.00%, 07/01/34  | 10                   | 10,025       |
| City of Grand Rapids Michigan Sanitary Sewer System, Refunding RB, Series A (NPFGC), 5.50%, 01/01/22                    | 810                  | 863,079      |
| City of Holland Michigan Electric Utility System, RB, Series A, 5.00%, 07/01/39   | 10,000               | 10,655,500   |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A:  |                      |              |
| 5.00%, 07/01/27   | 3,180                | 3,403,936    |
| 5.00%, 07/01/31   | 6,830                | 7,297,650    |
| 5.00%, 07/01/37   | 3,335                | 3,550,374    |
| 5.50%, 07/01/41   | 5,000                | 5,402,000    |
| City of Port Huron Michigan, RB, Water Supply System:   |                      |              |
| 5.25%, 10/01/31   | 500                  | 538,210      |
| 5.63%, 10/01/40   | 1,500                | 1,636,785    |
| Downriver Utility Wastewater Authority, Refunding RB, (AGM), 5.00%, 04/01/43  | 1,000                | 1,105,070    |
| Great Lakes Water Authority Water Supply System Revenue, RB, Second Lien, Series B, 5.00%, 07/01/46                     | 10,000               | 10,945,600   |
| Karegnondi Water Authority, Refunding RB:   |                      |              |
| 5.00%, 11/01/41   | 2,750                | 3,023,405    |
| 5.00%, 11/01/45   | 3,000                | 3,284,160    |
| Michigan Finance Authority, Refunding RB:   |                      |              |
| Government Loan Program, 5.00%, 07/01/34  | 2,000                | 2,212,200    |
| Government Loan Program, 5.00%, 07/01/35  | 750                  | 827,640      |
| Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 07/01/31   | 1,000                | 1,111,280    |
| Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 07/01/32   | 5,250                | 5,812,852    |
| Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 07/01/33   | 3,000                | 3,311,610    |
| Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund, Pooled Project, 5.00%, 10/01/20 <sup>(a)</sup> | 2,000                | 2,106,760    |

|   |               |              |               |              |
|---|---------------|--------------|---------------|--------------|
|   |               |              |               | 74,564,023   |
| <b>Total Municipal Bonds</b>  | <b>139.6%</b> |              |               |              |
| <b>(Cost \$592,256,066)</b>   |               |              |               | 617,730,310  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(d)</sup></b>                     | <b>22.7%</b>  |              |               |              |
| <b>Michigan</b>   | <b>22.7%</b>  |              |               |              |
| <b>Education</b>  | <b>12.0%</b>  |              |               |              |
| Eastern Michigan University, RB, General ,Series A (AGM), 4.00%, 03/01/44                         |               | 10,000       |               | 10,213,000   |
|   |               | <i>Par</i>   |               |              |
| <i>Security</i>   |               | <i>(000)</i> |               | <i>Value</i> |
| <b>Education (continued)</b>  |               |              |               |              |
| Michigan State University, Refunding RB, General, Series A, 5.00%, 08/15/38 <sup>(e)</sup>        |               | \$ 10,000    | \$            | 10,974,650   |
| University of Michigan, Refunding RB, 5.00%, 04/01/46   |               | 10,000       |               | 11,238,286   |
| Wayne State University, RB, General, Series A <sup>(e)</sup> :                                    |               |              |               |              |
| 5.00%, 11/15/43   |               | 8,530        |               | 9,559,035    |
| 5.00%, 11/15/40   |               | 10,000       |               | 11,161,750   |
|   |               |              |               | 53,146,721   |
| <b>Health</b>   | <b>7.4%</b>   |              |               |              |
| Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44           |               | 10,002       |               | 10,839,360   |
| Michigan Finance Authority, Refunding RB:   |               |              |               |              |
| Hospital, Trinity Health Credit Group, 5.00%, 12/01/39  |               | 190          |               | 202,072      |
| Trinity Health Corp., Series 2016, 5.00%, 12/01/45  |               | 19,735       |               | 21,608,106   |
|   |               |              |               | 32,649,538   |
| <b>State</b>  | <b>3.3%</b>   |              |               |              |
| Michigan State Finance Authority, Refunding RB, Student Loan, AMT, Series A, 4.00%, 11/01/28      |               | 8,750        |               | 9,044,881    |
| State of Michigan Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45 |               | 5,150        |               | 5,827,019    |
|   |               |              |               | 14,871,900   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts</b>                             | <b>22.7%</b>  |              |               |              |
| <b>(Cost \$99,496,462)</b>  |               |              |               | 100,668,159  |
| <b>Total Long-Term Investments</b>  | <b>162.3%</b> |              |               |              |
| <b>(Cost \$691,752,528)</b>   |               |              |               | 718,398,469  |
|   |               |              | <i>Shares</i> |              |
| <b>Short-Term Securities</b>  | <b>0.8%</b>   |              |               |              |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.24% <sup>(f)(g)</sup>                 |               | 3,343,952    |               | 3,344,621    |
| <b>Total Short-Term Securities</b>  | <b>0.8%</b>   |              |               |              |
| <b>(Cost \$3,344,368)</b>   |               |              |               | 3,344,621    |

|  |                |                |
|--|----------------|----------------|
| <b>Total Investments</b>   | <b>163.1%</b>  |                |
| (Cost  | \$695,096,896) | 721,743,090    |
| <b>Other Assets Less Liabilities</b>   | <b>1.5%</b>    | 6,513,990      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b> | <b>(12.3)%</b> | (54,246,049)   |
| <b>VRDP Shares at Liquidation Value, Net of Deferred Offering Costs</b>                  | <b>(52.3)%</b> | (231,480,550)  |
| <b>Net Assets Applicable to Common Shares</b>  | <b>100.0%</b>  | \$ 442,530,481 |

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Zero-coupon bond.
- (c) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (e) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire between June 1, 2021 to November 15, 2026, is \$16,418,062. See Note 4 of the Notes to Financial Statements for details.
- (f) Annualized 7-day yield as of period end.

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

(g) During the six months ended January 31, 2019, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliate</i>   | <i>Shares<br/>Held at<br/>07/31/18</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at<br/>01/31/19</i> | <i>Value at<br/>01/31/19</i> | <i>Income</i> | <i>Change<br/>in<br/>Net Unrealized<br/>Appreciation<br/>(Depreciation)</i> |               |
|--|--|-------------------------|--|------------------------------|---------------|---|---------------|
|  |  |                         |  |                              |               | <i>Gain</i>   | <i>(Loss)</i> |
| BlackRock Liquidity Funds,<br>MuniCash,<br>Institutional Class | 3,335,566                              | 8,386                   | 3,343,952                              | \$ 3,344,621                 | \$ 26,450     | \$ 698  | \$ (172)      |

(a) Includes net capital gain distributions, if applicable.

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

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
| <i>Short Contracts:</i>    |                                |                            |                                  |  |
| 10-Year U.S. Treasury Note | 70                             | 03/20/19                   | \$ 8,573                         | \$ (213,419)   |
| Long U.S. Treasury Bond    | 145                            | 03/20/19                   | 21,270                           | (995,457)  |
| 5-Year U.S. Treasury Note  | 56                             | 03/29/19                   | 6,432                            | (118,912)  |
|                            |                                |                            |                                  | \$ (1,327,788)   |

### Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Liabilities</b>                          |                                |                             |                             |  |  |                            |              |
| <b>Derivative<br/>Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                           |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>  | \$                             | \$                          | \$                          | \$   | \$ 1,327,788                           | \$                         | \$ 1,327,788 |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities. For the six months ended January 31, 2019, the effect of derivative financial instruments in the Statements of Operations were as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i>   |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|----------------|
| <b>Net Realized Gain (Loss)<br/>from:</b>                               |                                |                             |                             |  |  |                            |                |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 250,628                             | \$                         | \$ 250,628     |
| <b>Net Change in Unrealized<br/>Appreciation (Depreciation)<br/>on:</b> |                                |                             |                             |  |  |                            |                |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ (1,287,862)                         | \$                         | \$ (1,287,862) |

#### Average Quarterly Balances of Outstanding Derivative Financial Instruments

|                                     |                     |
|-------------------------------------|---------------------|
| Futures contracts:                  |                     |
| Average notional value of contracts | short \$ 29,438,406 |

Schedule of Investments (unaudited) (continued)

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

January 31, 2019

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 718,398,469 | \$             | \$ 718,398,469 |
| Short-Term Securities                           | 3,344,621      |                |                | 3,344,621      |
|   | \$ 3,344,621   | \$ 718,398,469 | \$             | \$ 721,743,090 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Liabilities:                                    |                |                |                |                |
| Interest rate contracts                         | \$ (1,327,788) | \$             | \$             | \$ (1,327,788) |

<sup>(a)</sup> See above Schedule of Investments for values in each sector.

<sup>(b)</sup> Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                  | <i>Level 1</i> | <i>Level 2</i>   | <i>Level 3</i> | <i>Total</i>     |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities:                     |                |                  |                |                  |
| TOB Trust Certificates           | \$             | \$ (54,022,057)  | \$             | \$ (54,022,057)  |
| VRDP Shares at Liquidation Value |                | (231,900,000)    |                | (231,900,000)    |
|                                  | \$             | \$ (285,922,057) | \$             | \$ (285,922,057) |

During the six months ended January 31, 2019, there were no transfers between levels.

*See notes to financial statements*



Schedule of Investments (unaudited)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Municipal Bonds 122.1%</b>  |                      |              |
| <b>Pennsylvania 122.1%</b>   |                      |              |
| <b>Corporate 2.2%</b>  |                      |              |
| Pennsylvania Economic Development Financing Authority, RB:   |                      |              |
| American Water Co. Project, 6.20%, 04/01/39  | \$ 1,510             | \$ 1,519,755 |
| Aqua Pennsylvania, Inc. Project, Series B, 4.50%, 12/01/42   | 2,630                | 2,700,878    |
| Pennsylvania Economic Development Financing Authority, Refunding RB, AMT:                          |                      |              |
| Aqua Pennsylvania, Inc. Project, Series A, 5.00%, 12/01/34   | 180                  | 188,039      |
| National Gypsum Co., 5.50%, 11/01/44   | 135                  | 139,683      |
|  |                      | 4,548,355    |
| <b>County/City/Special District/School District 30.3%</b>  |                      |              |
| Allentown Neighborhood Improvement Zone Development Authority, Refunding RB, Series A:             |                      |              |
| 5.00%, 05/01/35  | 190                  | 196,211      |
| 5.00%, 05/01/42  | 450                  | 460,233      |
| Altoona Area School District, GO:  |                      |              |
| 5.00%, 12/01/36  | 125                  | 140,485      |
| 5.00%, 12/01/45  | 600                  | 662,622      |
| Altoona Area School District, GOL, Series A (AGM), 5.00%, 12/01/36                                 | 1,180                | 1,326,178    |
| Bethlehem Area School District, GO, (BAM), Series A:   |                      |              |
| 5.00%, 08/01/34  | 1,610                | 1,834,289    |
| 5.00%, 08/01/35  | 1,210                | 1,377,791    |
| Borough of West Chester Pennsylvania, GO, Refunding, 3.50%, 11/15/35                               | 1,095                | 1,106,202    |
| Boyertown Area School District, GO:  |                      |              |
| 5.00%, 10/01/36  | 610                  | 676,801      |
| 5.00%, 10/01/38  | 920                  | 1,017,952    |
| City of Philadelphia Pennsylvania, GO, Refunding Series A (AGC):                                   |                      |              |
| 5.00%, 08/01/19 <sup>(a)</sup>   | 255                  | 259,228      |
| 5.00%, 08/01/24  | 2,115                | 2,147,254    |
| City of Pittsburgh Pennsylvania, GO, Series B, 5.00%, 09/01/26                                     | 1,095                | 1,204,193    |
| County of Bucks Pennsylvania Water & Sewer Authority, RB, Series A (AGM):                          |                      |              |
| 5.00%, 12/01/37  | 780                  | 884,614      |
| 5.00%, 12/01/40  | 1,000                | 1,130,650    |
| County of Delaware Springfield School District, GO:  |                      |              |
| 5.00%, 03/01/40  | 1,025                | 1,158,947    |
| 5.00%, 03/01/43  | 775                  | 871,751      |
| County of Lycoming Pennsylvania Water & Sewer Authority, RB, (AGM), 5.00%, 11/15/19 <sup>(a)</sup> | 500                  | 512,805      |
| County of Northampton Pennsylvania IDA, Route 33 Project, Tax Allocation Bonds, 7.00%, 07/01/32    | 170                  | 189,763      |
| County of York Pennsylvania, GO, Refunding, 5.00%, 09/01/20 <sup>(a)</sup>                         | 500                  | 525,370      |



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|  |              |              |
|--|--------------|--------------|
| Dallastown Area School District, GO, Refunding, 5.00%, 04/15/34  | 1,235        | 1,407,394    |
| Fox Chapel Area School District, GO:   |              |              |
| 5.00%, 02/01/39  | 1,345        | 1,528,740    |
| 5.00%, 02/01/42  | 1,250        | 1,411,313    |
| Marple Newtown School District, GO, (AGM),   |              |              |
| 5.00%, 06/01/19 <sup>(a)</sup>   | 4,100        | 4,145,305    |
| Shaler Area School District Pennsylvania, GO, CAB (Syncora), 0.00%, 09/01/30 <sup>(b)</sup>  | 6,145        | 4,299,165    |
| Springfield School District/Delaware County, GO:   |              |              |
| 5.00%, 03/01/36  | 870          | 1,002,092    |
| 5.00%, 03/01/37  | 890          | 1,016,798    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>County/City/Special District/School District (continued)</b>  |              |              |
| State Public School Building Authority, RB (AGM):  |              |              |
| Community College, Allegheny County Project, 5.00%, 07/15/34   | \$ 2,190     | \$ 2,334,847 |
| Corry Area School District, CAB, 0.00%,<br>12/15/22 <sup>(b)</sup>   | 1,640        | 1,493,876    |
| Corry Area School District, CAB, 0.00%,<br>12/15/23 <sup>(b)</sup>   | 1,980        | 1,753,785    |
| Corry Area School District, CAB, 0.00%,<br>12/15/24 <sup>(b)</sup>   | 1,980        | 1,702,661    |
| Corry Area School District, CAB, 0.00%,<br>12/15/25 <sup>(b)</sup>   | 1,770        | 1,474,392    |
| State Public School Building Authority, Refunding RB, Harrisburg School District Project,<br>Series A (AGC) <sup>(a)</sup> :                     |              |              |
| 5.00%, 05/15/19  | 215          | 217,055      |
| 5.00%, 05/15/19  | 215          | 217,055      |
| 5.00%, 05/15/19  | 855          | 863,174      |
| Township of Bristol Pennsylvania School District, GO:  |              |              |
| 5.00%, 06/01/40  | 775          | 838,380      |
| 5.25%, 06/01/43<br>(BAM), 5.00%, 06/01/42  | 6,925        | 7,620,201    |
| Township of Falls Pennsylvania, Refunding RB, Water & Sewer Authority, 5.00%, 12/01/37   | 1,685        | 1,859,684    |
| Township of Lower Paxton Pennsylvania, GO:   | 1,270        | 1,370,101    |
| 5.00%, 04/01/42  | 435          | 486,417      |
| 5.00%, 04/01/46  | 1,435        | 1,601,675    |
| Tredyffrin Easttown School District, GOL, 5.00%, 02/15/39 <sup>(c)</sup>   | 695          | 791,181      |
| West Shore School District Pennsylvania, GOL:  |              |              |
| 5.00%, 11/15/43  | 2,095        | 2,317,510    |
| 5.00%, 11/15/48  | 1,200        | 1,324,728    |
| Williamsport Sanitary Authority, Refunding RB, (BAM), 4.00%, 01/01/40  | 580          | 587,807      |
|  |              | 61,348,675   |
| <b>Education 22.3%</b>   |              |              |
| County of Adams Pennsylvania IDA, Refunding RB, Gettysburg College, 5.00%, 08/15/26  | 100          | 104,391      |
| County of Cumberland Pennsylvania Municipal Authority, RB, AICUP Financing Program,<br>Dickinson College Project, 5.00%, 11/01/19 <sup>(a)</sup> | 200          | 204,794      |
| County of Cumberland Pennsylvania Municipal Authority, Refunding RB, Diakon Lutheran<br>Social Ministries Project:                               |              |              |
| 4.00%, 01/01/36  | 395          | 387,369      |

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|   |       |           |
|---|-------|-----------|
| 4.13%, 01/01/38   | 160   | 156,802   |
| 5.00%, 01/01/39   | 760   | 820,998   |
| County of Delaware Pennsylvania Authority, RB, Villanova University:  |       |           |
| 5.00%, 08/01/40   | 1,205 | 1,364,602 |
| 5.00%, 08/01/45   | 3,610 | 4,076,701 |
| County of Delaware Pennsylvania Authority, Refunding RB:  |       |           |
| Cabrini University, 5.00%, 07/01/47   | 2,480 | 2,576,472 |
| Villanova University, 5.25%, 12/01/19 <sup>(a)</sup>  | 100   | 102,860   |
| County of Montgomery Higher Education & Health Authority, Refunding RB, Thomas Jefferson University, Series A:        |       |           |
| 5.00%, 09/01/37   | 840   | 943,202   |
| 5.00%, 09/01/48   | 1,500 | 1,650,900 |
| County of Northampton Pennsylvania General Purpose Authority, Refunding RB:   |       |           |
| Lafayette College, 4.00%, 11/01/38  | 1,160 | 1,196,830 |
| Moravian College, 5.00%, 10/01/36   | 610   | 661,167   |
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 08/15/36                         |       |           |
|   | 2,000 | 2,257,320 |
| Pennsylvania Higher Educational Facilities Authority, RB, Thomas Jefferson University, 5.00%, 03/01/20 <sup>(a)</sup> |       |           |
|   | 1,000 | 1,033,800 |
| Pennsylvania Higher Educational Facilities Authority, RB, Series AT-1, 4.00%, 06/15/34                                |       |           |
|   | 2,000 | 2,090,800 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Education (continued)</b>  |                      |              |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB:   |                      |              |
| Drexel University, Series A, 5.25%, 05/01/21 <sup>(a)</sup>   | \$ 3,700             | \$ 3,985,048 |
| Drexel University, Series A, 5.25%, 05/01/41  | 230                  | 244,138      |
| La Salle University, 5.00%, 05/01/37  | 1,325                | 1,354,362    |
| La Salle University, 5.00%, 05/01/42  | 1,855                | 1,883,938    |
| State System of Higher Education, Series AL, 5.00%, 06/15/35  | 280                  | 290,786      |
| Thomas Jefferson University, 5.00%, 09/01/45  | 2,000                | 2,219,940    |
| University of Science in Philadelphia, 5.00%, 11/01/36  | 2,100                | 2,313,192    |
| Widener University, Series A, 5.25%, 07/15/33   | 1,580                | 1,688,894    |
| Widener University, Series A, 5.50%, 07/15/38   | 385                  | 410,244      |
| Philadelphia Authority for Industrial Development, RB, University of Sciences, 5.00%,<br>11/01/42   | 2,710                | 2,994,631    |
| Philadelphia Authority for Industrial Development, Refunding RB:  |                      |              |
| 1st Series, 5.00%, 04/01/45   | 2,170                | 2,399,195    |
| La Salle University, 4.00%, 05/01/42  | 2,985                | 2,730,767    |
| Swarthmore Borough Authority, Refunding RB, Swarthmore College Project, 5.00%,<br>09/15/38  | 830                  | 934,215      |
| Township of East Hempfield Pennsylvania IDA, RB, Student Services, Inc., Student<br>Housing Project at Millersville University of Pennsylvania:           |                      |              |
| 5.00%, 07/01/35   | 485                  | 504,604      |
| 5.00%, 07/01/35   | 435                  | 459,612      |
| 5.00%, 07/01/45   | 300                  | 307,854      |
| 5.00%, 07/01/47   | 820                  | 849,036      |
|   |                      | 45,199,464   |
| <b>Health 21.9%</b>   |                      |              |
| City of Pottsville Pennsylvania Hospital Authority, Refunding RB, Lehigh Valley Health,<br>Series B, 5.00%, 07/01/41                                      |                      |              |
|   | 3,000                | 3,291,060    |
| County of Allegheny Hospital Development Authority, Refunding RB:   |                      |              |
| Allegheny Health Network Obligation, Class A (AGM), 4.00%, 04/01/44   | 3,940                | 3,969,944    |
| Allegheny Health Network Obligated Group Issue, Series A, 4.00%, 04/01/37   | 1,700                | 1,723,392    |
| Allegheny Health Network Obligated Group Issue, Series A, 5.00%, 04/01/47   | 700                  | 759,913      |
| County of Allegheny Pennsylvania Hospital Development Authority, RB, University of<br>Pittsburgh Medical Center Health, Series B (NPFGC), 6.00%, 07/01/26 |                      |              |
|   | 2,000                | 2,489,020    |
| County of Berks Pennsylvania Municipal Authority, Refunding RB, Reading Hospital &<br>Medical Center Project:   |                      |              |
| Series A, 5.00%, 11/01/40   | 765                  | 810,189      |
| Series A3, 5.50%, 11/01/19 <sup>(a)</sup>   | 250                  | 256,815      |
| Series A3, 5.50%, 11/01/31  | 250                  | 256,533      |
| County of Bucks Pennsylvania IDA, Refunding RB, Pennswood Village Project, 5.00%,<br>10/01/37   |                      |              |
|   | 940                  | 1,011,017    |

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|   |              |              |
|---|--------------|--------------|
| County of Centre Pennsylvania Hospital Authority, RB, Mount Nittany Medical Center Project, 7.00%, 11/15/21 <sup>(a)</sup>  | 2,410        | 2,746,195    |
| County of Chester Health & Education Facilities Authority, Refunding RB, Main Line Health System, Series A, 5.00%, 10/01/52   | 2,290        | 2,531,961    |
| County of Cumberland Pennsylvania Municipal Authority, Refunding RB, Diakon Lutheran Social Ministries, 5.00%, 01/01/38   | 2,600        | 2,739,724    |
| County of Dauphin General Authority, Refunding RB, Pinnacle Health System Project: 6.00%, 06/01/19 <sup>(a)</sup>   | 240          | 243,386      |
| 6.00%, 06/01/29   | 260          | 263,263      |
| County of Franklin Pennsylvania IDA, Refunding RB, Chambersburg Hospital Project, 5.38%, 07/01/42   | 415          | 432,633      |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Health (continued)</b>   |              |              |
| County of Lancaster Pennsylvania Hospital Authority, Refunding RB, Masonic Villages of The Grand Lodge of Pennsylvania Project, 5.00%, 11/01/35                           | \$ 575       | \$ 622,622   |
| County of Montgomery Pennsylvania Higher Education & Health Authority, Refunding RB, Abington Memorial Hospital Obligated Group, Series A, 5.13%, 06/01/19 <sup>(a)</sup> | 490          | 495,449      |
| County of Montgomery Pennsylvania IDA, RB, Acts Retirement-Life Communities, Series A-1, 6.25%, 11/15/19 <sup>(a)</sup>   | 235          | 243,192      |
| County of Montgomery Pennsylvania IDA, Refunding RB: Acts Retirement-Life Communities, 5.00%, 11/15/27  | 865          | 921,978      |
| Acts Retirement-Life Communities, 5.00%, 11/15/28   | 555          | 589,588      |
| Whitemarsh Continuing Care Retirement Community, 5.25%, 01/01/40  | 220          | 216,425      |
| County of Northampton Pennsylvania General Purpose Authority, Refunding RB: St. Luke s University Health Network Project, 5.00%, 08/15/46                                 | 1,000        | 1,091,620    |
| St. Lukes University Health Network, 5.00%, 08/15/48  | 1,125        | 1,244,407    |
| County of Union Pennsylvania Hospital Authority, Refunding RB, Evangelical Community Hospital Project, 7.00%, 08/01/21 <sup>(a)</sup>                                     | 460          | 517,666      |
| County of Wayne Hospital & Health Facilites Authority, RB, Wayne Memorial Hospital Project, Series A, 4.00%, 07/01/46   | 1,595        | 1,610,854    |
| DuBois Hospital Authority, Refunding RB, Penn Highlands Healthcare, 4.00%, 07/15/48   | 2,060        | 2,035,342    |
| Geisinger Authority Pennsylvania, RB, Series A <sup>(a)</sup> : Health System, 5.25%, 06/01/19  | 125          | 126,420      |
| 5.13%, 06/01/19   | 500          | 505,475      |
| Geisinger Authority Pennsylvania, Refunding RB, Health System, Series A-2, 5.00%, 02/15/39  | 4,050        | 4,538,268    |
| Lancaster IDA, Refunding RB, Garden Spot Village Project: 5.38%, 05/01/28   | 520          | 558,516      |
| 5.75%, 05/01/35   | 865          | 934,321      |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB, University of Pittsburgh Medical Center, Series E, 5.00%, 05/15/31                                    | 1,000        | 1,037,450    |
| Philadelphia Hospitals & Higher Education Facilities Authority, RB, The Children s Hospital of Philadelphia Project, Series C, 5.00%, 07/01/41                            | 940          | 996,381      |
| Philadelphia Hospitals & Higher Education Facilities Authority, Refunding RB, Presbyterian Medical Center, 6.65%, 12/01/19 <sup>(d)</sup>                                 | 465          | 483,763      |
| South Fork Municipal Authority, Refunding RB, Conemaugh Valley Memorial Hospital, Series B (AGC), 5.38%, 07/01/20 <sup>(a)</sup>  | 2,055        | 2,154,626    |

|   |       |            |
|---|-------|------------|
|   |       | 44,449,408 |
| <b>Housing 6.4%</b>   |       |            |
| City of Philadelphia Pennsylvania, GO, Refunding, Series A, 5.00%, 08/01/37       | 1,360 | 1,498,244  |
| Pennsylvania HFA, RB:   |       |            |
| S/F Housing, Series 128B, 4.00%, 10/01/47 <sup>(c)</sup>                          | 3,780 | 3,782,608  |
| Brinton Manor Apartments & Brinton Towers, M/F Housing, Series A, 4.25%, 10/01/35 | 400   | 353,480    |
| Brinton Manor Apartments & Brinton Towers, M/F Housing, Series A, 4.50%, 10/01/40 | 400   | 349,244    |
| S/F Housing Mortgage, Series 118-B, 4.05%, 10/01/40                               | 1,000 | 1,007,010  |
| S/F Housing Mortgage, Series 2015-117-B, 4.05%, 10/01/40                          | 1,600 | 1,610,400  |
| Philadelphia IDA, RB, Series A:   |       |            |
| 3.50%, 12/01/36   | 790   | 765,463    |
| 4.00%, 12/01/46   | 2,970 | 2,911,164  |
| 4.00%, 12/01/51   | 790   | 753,834    |
|   |       | 13,031,447 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

January 31, 2019

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>State 5.7%</b>  |                      |              |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment, 5.00%,<br>06/01/35                            | \$ 1,295             | \$ 1,451,630 |
| Commonwealth of Pennsylvania, GO, 1st Series, 5.00%, 06/01/22 <sup>(a)</sup>   | 2,460                | 2,721,301    |
| Pennsylvania Economic Development Financing Authority, RB, AMT, 5.00%, 06/30/42  | 7,000                | 7,476,980    |
|  |                      | 11,649,911   |
| <b>Tobacco 2.0%</b>  |                      |              |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment, 5.00%,<br>06/01/33                            | 3,575                | 4,043,933    |
| <b>Transportation 19.7%</b>  |                      |              |
| City of Philadelphia Pennsylvania, ARB, Series A, 5.00%, 06/15/40  | 3,825                | 3,959,104    |
| City of Philadelphia Pennsylvania Airport Revenue, Refunding ARB, AMT, Series B:<br>5.00%, 07/01/37                    | 1,100                | 1,222,639    |
| 5.00%, 07/01/47  | 2,105                | 2,301,123    |
| Delaware River Joint Toll Bridge Commission, RB, Bridge System, 5.00%, 07/01/42  | 1,500                | 1,691,730    |
| Delaware River Port Authority, RB:<br>5.00%, 01/01/29  | 475                  | 532,556      |
| 5.00%, 01/01/37  | 2,285                | 2,517,293    |
| Series D, 5.00%, 01/01/20 <sup>(a)</sup>   | 750                  | 772,620      |
| Series D (AGM), 5.00%, 01/01/20 <sup>(a)</sup>   | 1,560                | 1,607,050    |
| Pennsylvania Economic Development Financing Authority, Refunding RB, Amtrak Project,<br>Series A, AMT, 5.00%, 11/01/41 | 6,025                | 6,430,603    |
| Pennsylvania Turnpike Commission, RB:<br>CAB, Sub-Series A-3, 0.00%, 12/01/42 <sup>(b)</sup>                           | 4,760                | 1,735,496    |
| CAB, Sub-Series A-3 (AGM), 0.00%, 12/01/40 <sup>(b)</sup>  | 1,275                | 520,213      |
| Sub-Series B, 5.25%, 12/01/48  | 1,930                | 2,190,280    |
| Sub-Series B-1, 5.00%, 06/01/42  | 2,345                | 2,544,090    |
| Pennsylvania Turnpike Commission, Refunding RB:<br>Sub-Series A-1, 5.25%, 12/01/45                                     | 3,270                | 3,618,778    |
| Sub-Series B (AGM), 5.25%, 06/01/19 <sup>(a)</sup>   | 1,695                | 1,714,526    |
| Sub-Series B (AGM), 5.25%, 06/01/19 <sup>(a)</sup>   | 1,805                | 1,826,389    |
| Southeastern Pennsylvania Transportation Authority, RB, Capital Grant Receipts <sup>(a)</sup> :<br>5.00%, 06/01/21     | 1,860                | 1,997,975    |
| 5.00%, 06/01/21  | 2,465                | 2,647,854    |
|  |                      | 39,830,319   |
| <b>Utilities 11.6%</b>   |                      |              |
| City of Lancaster Pennsylvania, GO, (BAM), 4.00%, 11/01/42   | 1,705                | 1,738,043    |
| City of Philadelphia Pennsylvania Gas Works, RB, 9th Series:<br>5.25%, 08/01/20 <sup>(a)</sup>                         | 660                  | 693,667      |

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|   |              |              |
|---|--------------|--------------|
| 5.25%, 08/01/40   | 1,040        | 1,085,354    |
| City of Philadelphia Pennsylvania Gas Works, Refunding RB:  |              |              |
| 5.00%, 08/01/30   | 800          | 909,400      |
| 5.00%, 08/01/31   | 600          | 679,758      |
| 5.00%, 08/01/32   | 800          | 903,304      |
| 5.00%, 08/01/33   | 400          | 450,388      |
| 5.00%, 08/01/34   | 700          | 785,533      |
| City of Philadelphia Pennsylvania Water & Wastewater, RB:   |              |              |
| Series A, 5.25%, 10/01/52   | 810          | 920,241      |
| Series C (AGM), 5.00%, 08/01/40   | 3,350        | 3,484,904    |
| City of Philadelphia Pennsylvania Water & Wastewater Revenue, RB, Series A, 5.00%, 10/01/43   | 3,040        | 3,424,104    |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment, 5.00%, 06/01/34  | 4,175        | 4,701,259    |
| County of Allegheny Pennsylvania Sanitary Authority, RB, Sewer Improvement (BAM), 5.25%, 12/01/41   | 1,410        | 1,585,855    |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Utilities (continued)</b>  |              |              |
| County of Delaware Pennsylvania Regional Water Quality Control Authority, RB, Sewer Improvements, 5.00%, 05/01/23 <sup>(a)</sup>                  | \$ 420       | \$ 474,638   |
| Pennsylvania Economic Development Financing Authority, RB, Philadelphia Biosolids Facility, 6.25%, 01/01/32                                       | 1,605        | 1,647,549    |
|   |              | 23,483,997   |
| <b>Total Municipal Bonds 122.1%</b>   |              |              |
| <b>(Cost \$238,894,733)</b>   |              | 247,585,509  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(e)</sup> 47.4%</b>   |              |              |
| <b>Pennsylvania 47.4%</b>   |              |              |
| <b>Education 17.3%</b>  |              |              |
| County of Northampton General Purpose Authority, Refunding RB, Lafayette College, 5.00%, 11/01/47   | 3,900        | 4,358,884    |
| Pennsylvania Higher Educational Facilities Authority, RB:   |              |              |
| State System of Higher Education, Series AR, 4.00%, 06/15/38  | 11,335       | 11,653,572   |
| University of Pennsylvania Health System, Series A, 5.75%, 08/15/21 <sup>(a)</sup>  | 5,120        | 5,621,658    |
| University of Pennsylvania Health System, Series A, 4.00%, 08/15/39 <sup>(f)</sup>  | 7,815        | 7,948,847    |
| Philadelphia Authority for Industrial Development, RB, Philadelphia College of osteopathic Medicine, 0.01%, 12/01/48 <sup>(f)</sup>               | 3,300        | 3,323,381    |
| University of Pittsburgh Pennsylvania, RB, The Commonwealth System of Higher Education, Capital Project, Series B, 5.00%, 03/15/19 <sup>(a)</sup> | 2,202        | 2,210,354    |
|   |              | 35,116,696   |
| <b>Health 15.1%</b>   |              |              |
| Geisinger Authority Pennsylvania, RB, Health System:  |              |              |
| Series A, 5.13%, 06/01/19 <sup>(a)</sup>  | 2,500        | 2,527,388    |
| Series A, 5.25%, 06/01/19 <sup>(a)</sup>  | 3,000        | 3,034,080    |
| Series A-1, 5.13%, 06/01/41   | 7,430        | 7,900,132    |

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|  |       |            |
|--|-------|------------|
| Pennsylvania Economic Development Financing Authority, RB, University of Pittsburgh Medical Center, Series B, 4.00%, 03/15/40                  | 8,000 | 8,081,440  |
| Philadelphia Hospitals & Higher Education Facilities Authority, RB, The Children's Hospital of Philadelphia Project, Series C, 5.00%, 07/01/41 | 4,680 | 4,957,477  |
| Saint Mary Pennsylvania Hospital Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/48   | 3,754 | 4,213,560  |
|  |       | 30,714,077 |
| <b>Housing 1.3%</b>  |       |            |
| Pennsylvania HFA, Refunding RB, S/F Mortgage, Series 114A, AMT, 3.70%, 10/01/42 <sup>(f)</sup>   | 2,637 | 2,607,982  |
| <b>State 9.8%</b>  |       |            |
| Commonwealth of Pennsylvania, GO, 1st Series:  |       |            |
| 4.00%, 03/01/38 <sup>(f)</sup>   | 6,000 | 6,205,920  |
| 5.00%, 03/15/19 <sup>(a)</sup>   | 6,028 | 6,051,925  |
| General Authority of Southcentral Pennsylvania, Refunding RB, Wellspan Health Obligated Group, Series A, 5.00%, 06/01/44                       | 7,000 | 7,528,920  |
|  |       | 19,786,765 |
| <b>Transportation 2.0%</b>   |       |            |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42  | 1,680 | 1,921,819  |
| Pennsylvania Turnpike Commission, Refunding RB, Sub Series B-2 (AGM), 5.00%, 06/01/35  | 1,850 | 2,088,465  |
|  |       | 4,010,284  |

SCHEDULES OF INVESTMENTS

39



Schedule of Investments (unaudited) (continued) **BlackRock MuniYield Pennsylvania Quality Fund (MPA)**

January 31, 2019 **(Percentages shown are based on Net Assets)**

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i>   |
|---|----------------------|----------------|
| <b>Utilities 1.9%</b>   |                      |                |
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM),<br>5.00%, 08/15/42          | \$ 3,493             | \$ 3,827,568   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 47.4%</b><br><b>(Cost \$93,929,391)</b> |                      | 96,063,372     |
| <b>Total Investments 169.5%</b><br><b>(Cost \$332,824,124)</b>  |                      | 343,648,881    |
| <b>Liabilities in Excess of Other Assets (1.1)%</b>   |                      | (2,310,541)    |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (27.8)%</b>          |                      | (56,300,342)   |
| <b>VRDP Shares, at Liquidation Value, Net of Deferred Offering Costs (40.6)%</b>                          |                      | (82,347,492)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |                      | \$ 202,690,506 |

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Zero-coupon bond.
- (c) When-issued security.
- (d) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (f) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire April 1 2020 to June 1, 2039, is \$12,824,280. See Note 4 of the Notes to Financial Statements for details.
- (g) During the six months ended January 31, 2019, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliate</i>   | <i>Shares<br/>Held at<br/>07/31/18</i> | <i>Shares<br/>Held<br/>at<br/>Net<br/>Activity</i> | <i>Shares<br/>Held<br/>at<br/>01/31/19</i> | <i>Value<br/>at<br/>01/31/19</i> | <i>Change<br/>in<br/>Net Unrealized<br/>Realized Appreciation<br/>(Loss) (Gain) (Depreciation)</i> |                    |                       |
|--|--|--|--|----------------------------------|--|--------------------|-----------------------|
|  |  |  |  |                                  | <i>Income</i>  | <i>Gain (Loss)</i> | <i>(Depreciation)</i> |
| BlackRock Liquidity Funds,<br>MuniCash, Institutional Class* | 562,228                                | (562,228)  |  | \$ 15,557                        | \$ 426   | \$ (54)            |                       |

\* No longer held by the Fund as of period end.

(a) Includes net capital gain distributions, if applicable.

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

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
| <i>Short Contracts:</i>    |                                |                            |                                  |  |
| 10-Year U.S. Treasury Note | 53                             | 03/20/19                   | \$ 6,491                         | \$ (146,906)   |
| Long U.S. Treasury Bond    | 123                            | 03/20/19                   | 18,043                           | (783,065)  |
| 5-Year U.S. Treasury Note  | 16                             | 03/29/19                   | 1,838                            | (32,846)   |
|                            |                                |                            |                                  | \$ (962,817)   |

### Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Liabilities</b>                          |                                |                             |                             |  |  |                            |              |
| <b>Derivative Financial<br/>Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                           |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>  | \$                             | \$                          | \$                          | \$   | \$ 962,817                             | \$                         | \$ 962,817   |

(a) Includes cumulative appreciation (depreciation) on futures contracts if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.



Schedule of Investments (unaudited) (continued)

**BlackRock MuniYield Pennsylvania Quality Fund (MPA)**

January 31, 2019

For the six months ended January 31, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i>   |
|---|--------------------------------|-----------------------------|-----------------------------|--|------------------------------------|----------------------------|----------------|
| <b>Net Realized Gain (Loss)<br/>from:</b>                               |                                |                             |                             |  |                                    |                            |                |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 388,160                         | \$                         | \$ 388,160     |
| <b>Net Change in Unrealized<br/>Appreciation (Depreciation)<br/>on:</b> |                                |                             |                             |  |                                    |                            |                |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ (1,036,013)                     | \$                         | \$ (1,036,013) |

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts sold \$ 18,678,664

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 343,648,881 | \$             | \$ 343,648,881 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Liabilities:                                    |                |                |                |                |

|                         |              |    |    |              |
|-------------------------|--------------|----|----|--------------|
| Interest rate contracts | \$ (962,817) | \$ | \$ | \$ (962,817) |
|-------------------------|--------------|----|----|--------------|

(a) See above Schedule of Investments for values in each sector.

(b) Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                  | <i>Level 1</i> | <i>Level 2</i>   | <i>Level 3</i> | <i>Total</i>     |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities:                     |                |                  |                |                  |
| TOB Trust Certificates           | \$             | \$ (56,058,453)  | \$             | \$ (56,058,453)  |
| VRDP Shares at Liquidation Value |                | (82,600,000)     |                | (82,600,000)     |
|                                  | \$             | \$ (138,658,453) | \$             | \$ (138,658,453) |

During the six months ended January 31, 2019, there were no transfers between levels.

*See notes to financial statements*

## Statements of Assets and Liabilities

January 31, 2019 (unaudited)

|  | MUC              | MUJ            | MFT            | MIY            | MPA            |
|--|------------------|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>  |                  |                |                |                |                |
| Investments at value unaffiliated <sup>(a)</sup>   | \$ 1,014,755,810 | \$ 752,908,850 | \$ 201,973,723 | \$ 718,398,469 | \$ 343,648,881 |
| Investments at value affiliated <sup>(b)</sup>   | 1,364,331        | 825,774        | 478,097        | 3,344,621      |                |
| Cash pledged for futures contracts   | 879,502          | 708,000        | 113,551        | 496,950        | 388,800        |
| Receivables:   |                  |                |                |                |                |
| Interest unaffiliated  | 14,776,647       | 5,508,667      | 2,210,552      | 8,197,571      | 3,577,451      |
| Dividends affiliated   | 1,278            | 3,647          | 1,265          | 4,282          | 1,249          |
| Investments sold   |                  |                | 5,123          |                | 1,466,776      |
| TOB Trust  |                  |                | 1,260,000      |                | 2,500,000      |
| Prepaid expenses   | 6,664            | 6,143          | 4,154          | 6,070          | 4,670          |
| Total assets   | 1,031,784,232    | 759,961,081    | 206,046,465    | 730,447,963    | 351,587,827    |
| <b>ACCRUED LIABILITIES</b>   |                  |                |                |                |                |
| Bank overdraft   |                  |                |                |                | 377,176        |
| Payables:  |                  |                |                |                |                |
| Investments purchased  |                  |                | 2,892,344      |                | 8,761,065      |
| Income dividend distributions  |                  |                |                |                |                |
| Common Shares  | 1,947,618        | 1,583,078      | 500,145        | 1,538,070      | 707,675        |
| Interest expense and fees  | 965,151          | 193,903        | 109,124        | 223,992        | 241,889        |
| Investment advisory fees   | 435,581          | 320,993        | 85,353         | 301,789        | 140,879        |
| Variation margin on futures contracts  | 342,688          | 276,117        | 46,515         | 193,125        | 152,219        |
| Directors and Officers fees  | 320,541          | 5,751          | 1,228          | 5,523          | 10,312         |
| Other accrued expenses   | 179,850          | 160,622        | 70,917         | 152,376        | 100,161        |
| Total accrued liabilities  | 4,191,429        | 2,540,464      | 3,705,626      | 2,414,875      | 10,491,376     |
| <b>OTHER LIABILITIES</b>   |                  |                |                |                |                |
| TOB Trust Certificates   | 167,017,593      | 62,747,370     | 29,988,610     | 54,022,057     | 56,058,453     |
| VRDP Shares, at liquidation value of \$100,000 per share, net of deferred offering costs <sup>(c)(d)</sup> |                  | 236,637,459    |                | 231,480,550    | 82,347,492     |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>(c)(d)</sup>                                 | 254,000,000      |                | 56,500,000     |                |                |
| Total other liabilities  | 421,017,593      | 299,384,829    | 86,488,610     | 285,502,607    | 138,405,945    |

|                   |             |             |            |             |             |
|-------------------|-------------|-------------|------------|-------------|-------------|
| Total liabilities | 425,209,022 | 301,925,293 | 90,194,236 | 287,917,482 | 148,897,321 |
|-------------------|-------------|-------------|------------|-------------|-------------|

**NET ASSETS APPLICABLE  
TO COMMON**

|              |                |                |                |                |                |
|--------------|----------------|----------------|----------------|----------------|----------------|
| SHAREHOLDERS | \$ 606,575,210 | \$ 458,035,788 | \$ 115,852,229 | \$ 442,530,481 | \$ 202,690,506 |
|--------------|----------------|----------------|----------------|----------------|----------------|

**NET ASSETS APPLICABLE  
TO COMMON  
SHAREHOLDERS CONSIST  
OF**

|                                   |                |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Paid-in capital <sup>(e)(f)</sup> | \$ 581,297,061 | \$ 424,089,469 | \$ 113,433,638 | \$ 419,036,337 | \$ 194,703,136 |
| Accumulated earnings              | 25,278,149     | 33,946,319     | 2,418,591      | 23,494,144     | 7,987,370      |

**NET ASSETS APPLICABLE  
TO COMMON**

|              |                |                |                |                |                |
|--------------|----------------|----------------|----------------|----------------|----------------|
| SHAREHOLDERS | \$ 606,575,210 | \$ 458,035,788 | \$ 115,852,229 | \$ 442,530,481 | \$ 202,690,506 |
|--------------|----------------|----------------|----------------|----------------|----------------|

**Net asset value per Common  
Share**

|    |       |    |       |    |       |    |       |    |       |
|----|-------|----|-------|----|-------|----|-------|----|-------|
| \$ | 14.79 | \$ | 15.19 | \$ | 13.67 | \$ | 14.96 | \$ | 15.18 |
|----|-------|----|-------|----|-------|----|-------|----|-------|

|                                      |                |                |                |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| (a) Investments at cost unaffiliated | \$ 984,846,613 | \$ 716,617,825 | \$ 194,026,078 | \$ 691,752,528 | \$ 332,824,124 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|

|                                    |              |            |            |              |    |
|------------------------------------|--------------|------------|------------|--------------|----|
| (b) Investments at cost affiliated | \$ 1,364,331 | \$ 825,691 | \$ 478,097 | \$ 3,344,368 | \$ |
|------------------------------------|--------------|------------|------------|--------------|----|

(c) Preferred Shares outstanding:

|                            |  |  |     |  |     |
|----------------------------|--|--|-----|--|-----|
| Par value \$0.05 per share |  |  | 565 |  | 826 |
|----------------------------|--|--|-----|--|-----|

|                            |       |       |  |       |  |
|----------------------------|-------|-------|--|-------|--|
| Par value \$0.10 per share | 2,540 | 2,371 |  | 2,319 |  |
|----------------------------|-------|-------|--|-------|--|

|                                 |        |       |           |       |           |
|---------------------------------|--------|-------|-----------|-------|-----------|
| (d) Preferred Shares authorized | 18,140 | 9,847 | 1,000,000 | 8,046 | 1,000,000 |
|---------------------------------|--------|-------|-----------|-------|-----------|

|   |            |            |           |            |            |
|---|------------|------------|-----------|------------|------------|
| (e) Common Shares outstanding, par value \$0.10 per share | 41,002,483 | 30,153,865 | 8,477,033 | 29,578,269 | 13,352,365 |
|---|------------|------------|-----------|------------|------------|

|                              |             |             |           |             |           |
|------------------------------|-------------|-------------|-----------|-------------|-----------|
| (f) Common Shares authorized | 199,981,860 | 199,990,153 | unlimited | 199,991,954 | unlimited |
|------------------------------|-------------|-------------|-----------|-------------|-----------|

*See notes to financial statements.*

## Statements of Operations

Six Months Ended January 31, 2019 (unaudited)

|  | MUC           | MUJ           | MFT          | MIY           | MPA          |
|--|---------------|---------------|--------------|---------------|--------------|
| <b>INVESTMENT INCOME</b>   |               |               |              |               |              |
| Interest unaffiliated  | \$ 19,570,441 | \$ 15,675,558 | \$ 4,500,208 | \$ 14,637,160 | \$ 6,918,420 |
| Dividends affiliated   | 32,429        | 24,551        | 7,532        | 26,450        | 15,557       |
| Total investment income  | 19,602,870    | 15,700,109    | 4,507,740    | 14,663,610    | 6,933,977    |
| <b>EXPENSES</b>  |               |               |              |               |              |
| Investment advisory  | 2,846,646     | 1,898,915     | 504,749      | 1,793,205     | 841,275      |
| Accounting services  | 60,734        | 52,217        | 20,240       | 51,369        | 27,707       |
| Professional   | 58,581        | 51,134        | 28,068       | 49,388        | 36,980       |
| Rating agency  | 21,789        | 21,783        | 21,728       | 21,782        | 21,735       |
| Transfer agent   | 19,570        | 18,370        | 10,612       | 18,194        | 14,683       |
| Directors and Officer  | 14,368        | 22,238        | 5,665        | 21,393        | 9,490        |
| Registration   | 8,031         | 5,906         | 4,782        | 5,793         | 4,778        |
| Custodian  | 5,120         | 1,222         | 2,438        | 3,992         | 3,179        |
| Printing   | 5,084         | 4,489         | 3,205        | 4,424         | 3,542        |
| Liquidity fees   |               | 12,173        |              | 19,857        |              |
| Remarketing fees on Preferred Shares   |               | 11,953        |              | 1,839         |              |
| Miscellaneous  | 19,225        | 17,590        | 9,905        |               | 12,739       |
| Total expenses excluding interest expense, fees and amortization of offering costs | 3,059,148     | 2,117,990     | 611,392      | 1,991,236     | 976,108      |
| Interest expense, fees and amortization of offering cost <sup>(a)</sup>            | 4,876,038     | 3,611,955     | 1,046,758    | 3,405,763     | 1,643,038    |
| Total expenses   | 7,935,186     | 5,729,945     | 1,658,150    | 5,396,999     | 2,619,146    |
| Less fees waived and/or reimbursed by the Manager                                  | (268,482)     | (1,456)       | (492)        | (1,720)       | (952)        |
| Total expenses after fees waived and/or reimbursed                                 | 7,666,704     | 5,728,489     | 1,657,658    | 5,395,279     | 2,618,194    |
| Net investment income  | 11,936,166    | 9,971,620     | 2,850,082    | 9,268,331     | 4,315,783    |
| <b>REALIZED AND UNREALIZED GAIN (LOSS)</b>   |               |               |              |               |              |
| Net realized gain (loss) from:   |               |               |              |               |              |
| Investments unaffiliated   | (3,669,097)   | (709,300)     | 149,372      | 36,595        | (338,397)    |
| Investments affiliated   | (1)           | 231           | 195          | 540           | 83           |



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|   |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Futures contracts   | 593,924      | 473,575      | 36,883       | 250,628      | 388,160      |
| Capital gain distributions from<br>investment companies affiliated                              |              | 6            | 88           | 158          | 343          |
|   | (3,075,174)  | (235,488)    | 186,538      | 287,921      | 50,189       |
| Net change in unrealized appreciation<br>(depreciation) on:                                     |              |              |              |              |              |
| Investments unaffiliated  | (4,304,390)  | (1,032,146)  | (1,681,105)  | (1,455,958)  | (216,210)    |
| Investments affiliated  |              | 83           |              | (172)        | (54)         |
| Futures contracts   | (2,308,745)  | (1,896,764)  | (297,792)    | (1,287,862)  | (1,036,013)  |
|   | (6,613,135)  | (2,928,827)  | (1,978,897)  | (2,743,992)  | (1,252,277)  |
| Net realized and unrealized loss  | (9,688,309)  | (3,164,315)  | (1,792,359)  | (2,456,071)  | (1,202,088)  |
| NET INCREASE IN NET ASSETS<br>APPLICABLE TO COMMON<br>SHAREHOLDERS RESULTING<br>FROM OPERATIONS | \$ 2,247,857 | \$ 6,807,305 | \$ 1,057,723 | \$ 6,812,260 | \$ 3,113,695 |

<sup>(a)</sup> Related to TOB Trusts, VMTP Shares  
and/or VRDP Shares.

*See notes to financial statements.*

## Statements of Changes in Net Assets

|  | MUC   |                        |
|--|---|------------------------|
|  | Six Months Ended<br>01/31/19<br>(unaudited) | Year Ended<br>07/31/18 |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |   |                        |
| <b>OPERATIONS</b>  |   |                        |
| Net investment income  | \$ 11,936,166                               | \$ 26,345,394          |
| Net realized gain (loss)   | (3,075,174)                                 | 2,208,575              |
| Net change in unrealized appreciation (depreciation)                                   | (6,613,135)                                 | (21,642,313)           |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 2,247,857                                   | 6,911,656              |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>                           |   |                        |
| Decrease in net assets resulting from distributions to shareholders                    | (12,059,938)                                | (27,389,659)           |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>                      |   |                        |
| Total decrease in net assets applicable to Common Shareholders                         | (9,812,081)                                 | (20,478,003)           |
| Beginning of period  | 616,387,291                                 | 636,865,294            |
| End of period  | \$ 606,575,210                              | \$ 616,387,291         |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(b)</sup> Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

*See notes to financial statements.*

## Statements of Changes in Net Assets (continued)

|  | MUJ   |                        |
|--|---|------------------------|
|  | Six Months Ended<br>01/31/19<br>(unaudited) | Year Ended<br>07/31/18 |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |   |                        |
| <b>OPERATIONS</b>  |   |                        |
| Net investment income  | \$ 9,971,620                                | \$ 21,389,643          |
| Net realized gain (loss)   | (235,488)                                   | 3,015,448              |
| Net change in unrealized appreciation (depreciation)                                   | (2,928,827)                                 | (10,791,325)           |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 6,807,305                                   | 13,613,766             |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>                           |   |                        |
| Decrease in net assets resulting from distributions to shareholders                    | (9,498,467)                                 | (22,304,151)           |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>                      |   |                        |
| Total decrease in net assets applicable to Common Shareholders                         | (2,691,162)                                 | (8,690,385)            |
| Beginning of period  | 460,726,950                                 | 469,417,335            |
| End of period  | \$ 458,035,788                              | \$ 460,726,950         |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(b)</sup> Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | MFT              |                |
|--|------------------|----------------|
|  | Six Months Ended | Year Ended     |
|  | 01/31/19         | 07/31/18       |
|  | (unaudited)      |                |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |                  |                |
| <b>OPERATIONS</b>  |                  |                |
| Net investment income  | \$ 2,850,082     | \$ 6,310,000   |
| Net realized gain  | 186,538          | 749,117        |
| Net change in unrealized (depreciation)  | (1,978,897)      | (6,248,096)    |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 1,057,723        | 811,021        |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>                           |                  |                |
| Decrease in net assets resulting from distributions to shareholders                    | (3,000,870)      | (6,747,670)    |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |                  |                |
| Reinvestment of common distributions to shareholders                                   |                  | 27,009         |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>                      |                  |                |
| Total decrease in net assets applicable to Common Shareholders                         | (1,943,147)      | (5,909,640)    |
| Beginning of period  | 117,795,376      | 123,705,016    |
| End of period  | \$ 115,852,229   | \$ 117,795,376 |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(b)</sup> Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | MIY   |                        |
|--|---|------------------------|
|  | Six Months Ended<br>01/31/19<br>(unaudited) | Year Ended<br>07/31/18 |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |   |                        |
| <b>OPERATIONS</b>  |   |                        |
| Net investment income  | \$ 9,268,331                                | \$ 20,261,471          |
| Net realized gain  | 287,921                                     | 2,353,308              |
| Net change in unrealized appreciation (depreciation)                                   | (2,743,992)                                 | (14,527,958)           |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 6,812,260                                   | 8,086,821              |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>                           |   |                        |
| Decrease in net assets resulting from distributions to shareholders                    | (9,228,420)                                 | (21,027,723)           |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>                      |   |                        |
| Total decrease in net assets applicable to Common Shareholders                         | (2,416,160)                                 | (12,940,902)           |
| Beginning of period  | 444,946,641                                 | 457,887,543            |
| End of period  | \$ 442,530,481                              | \$ 444,946,641         |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(b)</sup> Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | MPA   |                        |
|--|---|------------------------|
|  | Six Months Ended<br>01/31/19<br>(unaudited) | Year Ended<br>07/31/19 |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |   |                        |
| <b>OPERATIONS</b>  |   |                        |
| Net investment income  | \$ 4,315,783                                | \$ 9,437,503           |
| Net realized gain  | 50,189                                      | 1,004,627              |
| Net change in unrealized appreciation (depreciation)                                   | (1,252,277)                                 | (7,113,551)            |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 3,113,695                                   | 3,328,579              |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>                           |   |                        |
| Decrease in net assets resulting from distributions to shareholders                    | (4,379,576)                                 | (9,542,548)            |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>                      |   |                        |
| Total decrease in net assets applicable to Common Shareholders                         | (1,265,881)                                 | (6,213,969)            |
| Beginning of period  | \$ 203,956,387                              | \$ 210,170,356         |
| End of period  | \$ 202,690,506                              | \$ 203,956,387         |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(b)</sup> Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

See notes to financial statements.

## Statements of Cash Flows (unaudited)

Six Months Ended January 31, 2019

|   | MUC           | MUJ          | MFT          | MIY          | MPA          |
|---|---------------|--------------|--------------|--------------|--------------|
| <b>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>   |               |              |              |              |              |
| Net increase in net assets resulting from operations  | \$ 2,247,857  | \$ 6,807,305 | \$ 1,057,723 | \$ 6,812,260 | \$ 3,113,695 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |               |              |              |              |              |
| Proceeds from sales of long-term investments  | 202,688,610   | 47,440,257   | 37,157,633   | 78,995,249   | 31,058,970   |
| Purchases of long-term investments  | (175,689,179) | (44,492,644) | (37,004,360) | (73,764,179) | (26,722,311) |
| Net (purchases) sales of short-term securities  | (1,364,332)   | (1,653,651)  | (355)        | (8,019)      | 562,370      |
| Amortization of premium and accretion of discount on investments and other fees   | 3,767,381     | 390,701      | 432,555      | 1,943,894    | 508,683      |
| Net realized (gain) loss on investments   | 3,669,098     | 709,069      | (149,567)    | (37,135)     | 338,314      |
| Net unrealized depreciation on investments  | 4,304,390     | 1,032,063    | 1,681,105    | 1,456,130    | 216,264      |
| <b>(Increase) Decrease in Assets:</b>   |               |              |              |              |              |
| Receivables:  |               |              |              |              |              |
| Interest unaffiliated   | 780,821       | (129,046)    | 9,779        | 176,431      | (174,393)    |
| Dividends affiliated  | 10,009        | (2,125)      | (1,005)      | (410)        | (504)        |
| Prepaid expenses  | 17,646        | 14,675       | 12,046       | 14,499       | 12,443       |
| <b>Increase (Decrease) in Liabilities:</b>  |               |              |              |              |              |
| Payables:   |               |              |              |              |              |
| Investment advisory fees  | (7,872)       | (1,971)      | (959)        | (5,275)      | (2,851)      |
| Interest expense and fees   | 81,546        | 35,202       | 12,954       | 29,739       | 38,247       |
| Directors and Officers  | (24,615)      | 1,628        | 137          | 1,478        | 162          |
| Variation margin on futures contracts   | 270,779       | 255,205      | 42,044       | 158,323      | 139,106      |
| Other accrued expenses  | (83,026)      | (72,745)     | (29,902)     | (72,599)     | (50,370)     |
| Net cash provided by operating activities   | 40,669,113    | 10,333,923   | 3,219,828    | 15,700,386   | 9,037,825    |
| <b>CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>   |               |              |              |              |              |
| Proceeds from TOB Trust Certificates  | 10,958,931    |              | 2,570,851    | 5,684,998    | 1,655,350    |

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|   |              |             |             |              |             |
|---|--------------|-------------|-------------|--------------|-------------|
| Repayments of TOB Trust Certificates          | (29,846,529) |             | (2,628,429) | (11,664,998) | (6,273,213) |
| Proceeds from Loan for TOB Trust Certificates | 10,958,283   |             |             |              |             |
| Repayments of Loan for TOB Trust Certificates | (10,958,283) |             |             |              |             |
| Cash dividends paid to Common Shareholders    | (12,059,938) | (9,498,467) | (3,000,870) | (9,228,420)  | (4,412,957) |
| Increase (decrease) in bank overdraft         | (9,451,577)  | (358,053)   | (95,379)    | (335,798)    | 258,383     |
| Amortization of deferred offering costs       |              | 9,597       |             | 4,832        | 5,612       |
| Net cash used for financing activities        | (40,399,113) | (9,846,923) | (3,153,827) | (15,539,386) | (8,766,825) |

**CASH**

|  |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|
| Net increase in restricted and unrestricted cash and foreign currency        | 270,000    | 487,000    | 66,001     | 161,000    | 271,000    |
| Restricted and unrestricted cash and foreign currency at beginning of period | 609,502    | 221,000    | 47,550     | 335,950    | 117,800    |
| Restricted and unrestricted cash and foreign currency at end of period       | \$ 879,502 | \$ 708,000 | \$ 113,551 | \$ 496,950 | \$ 388,800 |

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Cash paid during the period for interest expense | \$ 4,794,492 | \$ 3,567,156 | \$ 1,033,804 | \$ 3,371,192 | \$ 1,599,179 |
|--|--------------|--------------|--------------|--------------|--------------|

**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AT THE END OF PERIOD TO THE STATEMENTS OF ASSETS AND LIABILITIES**

|                   |            |            |            |            |            |
|-------------------|------------|------------|------------|------------|------------|
| Cash pledged:     |            |            |            |            |            |
| Futures contracts | \$ 879,502 | \$ 708,000 | \$ 113,551 | \$ 496,950 | \$ 388,800 |

**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AT THE BEGINNING OF PERIOD TO THE STATEMENTS OF ASSETS**



**AND LIABILITIES**

Cash pledged:

|                   |    |         |    |         |    |        |    |         |    |         |
|-------------------|----|---------|----|---------|----|--------|----|---------|----|---------|
| Futures contracts | \$ | 609,502 | \$ | 221,000 | \$ | 47,550 | \$ | 335,950 | \$ | 117,800 |
|-------------------|----|---------|----|---------|----|--------|----|---------|----|---------|

*See notes to financial statements.*

## Financial Highlights

(For a share outstanding throughout each period)

|   | Six Months Ended<br>01/31/19<br>(unaudited) | MUC<br>Year Ended July 31, |          |          |                       |          |
|---|---|----------------------------|----------|----------|-----------------------|----------|
|   |   | 2018                       | 2017     | 2016     | 2015                  | 2014     |
| <b>Net asset value,<br/>beginning of period</b>                         | \$ 15.03                                    | \$ 15.53                   | \$ 16.51 | \$ 15.78 | \$ 15.82              | \$ 14.52 |
| Net investment income <sup>(a)</sup>                                    | 0.29  | 0.64                       | 0.69     | 0.77     | 0.78                  | 0.82     |
| Net realized and<br>unrealized gain (loss)                              | (0.23)                                      | (0.47)                     | (0.93)   | 0.76     | (0.00) <sup>(b)</sup> | 1.34     |
| Net increase (decrease)<br>from investment<br>operations                | 0.06  | 0.17                       | (0.24)   | 1.53     | 0.78                  | 2.16     |
| <b>Distributions to<br/>Common Shareholders<sup>(c)</sup></b>           |   |                            |          |          |                       |          |
| From net investment<br>income   | (0.29)                                      | (0.67)                     | (0.74)   | (0.80)   | (0.82)                | (0.86)   |
| From net realized gain  | (0.01)                                      |                            |          |          |                       |          |
| Total distributions   | (0.30)                                      | (0.67)                     | (0.74)   | (0.80)   | (0.82)                | (0.86)   |
| <b>Net asset value, end of<br/>period</b>                               | \$ 14.79                                    | \$ 15.03                   | \$ 15.53 | \$ 16.51 | \$ 15.78              | \$ 15.82 |
| <b>Market price, end of<br/>period</b>                                  | \$ 12.80                                    | \$ 13.07                   | \$ 14.75 | \$ 16.28 | \$ 14.28              | \$ 14.04 |
| <b>Total Return Applicable to<br/>Common Shareholders<sup>(d)</sup></b> |   |                            |          |          |                       |          |
| Based on net asset value  | 0.71% <sup>(e)</sup>                        | 1.54%                      | (1.08)%  | 10.20%   | 5.52%                 | 15.94%   |
| Based on market price   | 0.23% <sup>(e)</sup>                        | (7.03)%                    | (4.73)%  | 20.08%   | 7.60%                 | 12.25%   |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |   |                            |          |          |                       |          |
| Total expenses  | 2.60% <sup>(f)</sup>                        | 2.38%                      | 2.04%    | 1.60%    | 1.47%                 | 1.57%    |
| Total expenses after fees<br>waived and/or reimbursed                   | 2.52% <sup>(f)</sup>                        | 2.29%                      | 1.96%    | 1.55%    | 1.45%                 | 1.51%    |

and paid indirectly

|   |                      |       |       |       |       |       |
|---|----------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>(g)</sup> | 0.92% <sup>(f)</sup> | 0.93% | 0.93% | 0.93% | 0.93% | 0.93% |
| Net investment income to Common Shareholders  | 3.92% <sup>(f)</sup> | 4.20% | 4.44% | 4.79% | 4.88% | 5.44% |

### Supplemental Data

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)            | \$ 606,575 | \$ 616,387 | \$ 636,865 | \$ 677,128 | \$ 646,897 | \$ 648,837 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 254,000 | \$ 254,000 | \$ 254,000 | \$ 254,000 | \$ 254,000 | \$ 254,000 |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period | \$ 338,809 | \$ 342,672 | \$ 350,734 | \$ 366,586 | \$ 354,684 | \$ 355,448 |
| Borrowings outstanding, end of period (000)                                  | \$ 167,018 | \$ 185,905 | \$ 181,685 | \$ 169,699 | \$ 161,571 | \$ 88,271  |
| Portfolio turnover rate  | 15%        | 24%        | 19%        | 21%        | 25%        | 25%        |

(a) Based on average Common Shares outstanding.

(b) Amount is greater than \$(0.005) per share.

(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(d) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(e) Aggregate total return.

(f) Annualized.

(g) Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

See notes to financial statements.



## Financial Highlights (continued)

(For a share outstanding throughout each period)

|   | Six Months Ended        |          | MUJ<br>Year Ended July 31, |          |          |          |
|---|-------------------------|----------|----------------------------|----------|----------|----------|
|   | 01/31/19<br>(unaudited) | 2018     | 2017                       | 2016     | 2015     | 2014     |
| <b>Net asset value,<br/>beginning of period</b>                             | \$ 15.28                | \$ 15.57 | \$ 16.55                   | \$ 15.62 | \$ 15.74 | \$ 14.51 |
| Net investment income <sup>(a)</sup>  | 0.33                    | 0.71     | 0.77                       | 0.84     | 0.84     | 0.86     |
| Net realized and<br>unrealized gain (loss)                                  | (0.10)                  | (0.26)   | (0.94)                     | 0.96     | (0.07)   | 1.27     |
| Net increase (decrease)<br>from investment<br>operations                    | 0.23                    | 0.45     | (0.17)                     | 1.80     | 0.77     | 2.13     |
| <b>Distributions to<br/>Common<br/>Shareholders<sup>(b)</sup></b>           |                         |          |                            |          |          |          |
| From net investment<br>income   | (0.32)                  | (0.74)   | (0.81)                     | (0.87)   | (0.89)   | (0.89)   |
| From net realized gain  |                         |          |                            |          |          | (0.01)   |
| Total distributions   | (0.32)                  | (0.74)   | (0.81)                     | (0.87)   | (0.89)   | (0.90)   |
| <b>Net asset value, end of<br/>period</b>                                   | \$ 15.19                | \$ 15.28 | \$ 15.57                   | \$ 16.55 | \$ 15.62 | \$ 15.74 |
| <b>Market price, end of<br/>period</b>                                      | \$ 12.99                | \$ 12.90 | \$ 14.88                   | \$ 16.12 | \$ 13.55 | \$ 14.11 |
| <b>Total Return Applicable<br/>to Common<br/>Shareholders<sup>(c)</sup></b> |                         |          |                            |          |          |          |
| Based on net asset value  | 1.89% <sup>(d)</sup>    | 3.52%    | (0.57)%                    | 12.39%   | 5.59%    | 15.79%   |
| Based on market price   | 3.21% <sup>(d)</sup>    | (8.55)%  | (2.44)%                    | 26.20%   | 2.18%    | 13.24%   |
| <b>Ratios to Average Net<br/>Assets Applicable to</b>                       |                         |          |                            |          |          |          |

**Common Shareholders**

|   |                      |       |       |       |                      |       |
|---|----------------------|-------|-------|-------|----------------------|-------|
| Total expenses  | 2.51% <sup>(e)</sup> | 2.23% | 1.89% | 1.52% | 1.62% <sup>(f)</sup> | 1.64% |
| Total expenses after fees waived and/or reimbursed and paid indirectly  | 2.51% <sup>(e)</sup> | 2.23% | 1.89% | 1.52% | 1.57% <sup>(f)</sup> | 1.57% |
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense fees and amortization of offering costs <sup>(g)(h)</sup> | 0.93% <sup>(e)</sup> | 0.93% | 0.91% | 0.90% | 1.02% <sup>(f)</sup> | 1.25% |
| Net investment income to Common Shareholders  | 4.36% <sup>(e)</sup> | 4.60% | 4.95% | 5.27% | 5.27%                | 5.78% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)            | \$ 458,036 | \$ 460,727 | \$ 469,417 | \$ 499,058 | \$ 470,946 | \$ 335,425 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 237,100 | \$ 237,100 | \$ 237,100 | \$ 237,100 | \$ 237,100 | \$ 172,700 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$ 293,183 | \$ 294,318 | \$ 297,983 | \$ 310,484 | \$ 298,628 | \$ 294,224 |
| Borrowings outstanding, end of period (000)                                  | \$ 62,747  | \$ 62,747  | \$ 63,877  | \$ 55,089  | \$ 52,744  | \$ 34,699  |
| Portfolio turnover rate  | 6%         | 14%        | 8%         | 9%         | 10%        | 16%        |

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.52%, 1.50% and 0.95%, respectively.

(g)

Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

- (b) The total expense ratio after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees were as follows:

|                | Six Months Ended<br>01/31/19 | Year Ended July 31, |       |       |       |       |
|----------------|------------------------------|---------------------|-------|-------|-------|-------|
|                | (unaudited)                  | 2018                | 2017  | 2016  | 2015  | 2014  |
| Expense ratios | 0.93%                        | 0.93%               | 0.91% | 0.89% | 1.01% | 0.95% |

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended        | MFT<br>Year Ended July 31, |          |          |          |          |
|--|-------------------------|----------------------------|----------|----------|----------|----------|
|  | 01/31/19<br>(unaudited) | 2018                       | 2017     | 2016     | 2015     | 2014     |
| <b>Net asset value, beginning of period</b>                                    | \$ 13.90                | \$ 14.60                   | \$ 15.55 | \$ 14.95 | \$ 14.83 | \$ 13.61 |
| Net investment income <sup>(a)</sup>   | 0.34                    | 0.74                       | 0.79     | 0.83     | 0.84     | 0.85     |
| Net realized and unrealized gain (loss)  | (0.22)                  | (0.64)                     | (0.91)   | 0.62     | 0.13     | 1.22     |
| Net increase (decrease) from investment operations                             | 0.12                    | 0.10                       | (0.12)   | 1.45     | 0.97     | 2.07     |
| Distributions to Common Shareholders from net investment income <sup>(b)</sup> | (0.35)                  | (0.80)                     | (0.83)   | (0.85)   | (0.85)   | (0.85)   |
| <b>Net asset value, end of period</b>  | \$ 13.67                | \$ 13.90                   | \$ 14.60 | \$ 15.55 | \$ 14.95 | \$ 14.83 |
| <b>Market price, end of period</b>   | \$ 13.10                | \$ 13.03                   | \$ 14.67 | \$ 16.09 | \$ 13.37 | \$ 13.26 |
| <b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>            |                         |                            |          |          |          |          |
| Based on net asset value   | 1.15% <sup>(d)</sup>    | 0.92%                      | (0.51)%  | 10.31%   | 7.25%    | 16.40%   |
| Based on market price  | 3.41% <sup>(d)</sup>    | (5.85)%                    | (3.39)%  | 27.63%   | 7.27%    | 16.10%   |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>          |                         |                            |          |          |          |          |
| Total expenses   | 2.85% <sup>(e)</sup>    | 2.47%                      | 2.07%    | 1.61%    | 1.56%    | 1.67%    |
| Total expenses after fees waived and/or reimbursed and paid indirectly         | 2.85% <sup>(e)</sup>    | 2.47%                      | 2.07%    | 1.61%    | 1.56%    | 1.67%    |



|   |                      |       |       |       |       |       |
|---|----------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>(f)</sup> | 1.05% <sup>(e)</sup> | 1.03% | 1.00% | 0.96% | 0.98% | 1.00% |
| Net investment income to Common Shareholders  | 4.89% <sup>(e)</sup> | 5.23% | 5.35% | 5.45% | 5.52% | 6.04% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)            | \$ 115,852 | \$ 117,795 | \$ 123,705 | \$ 131,739 | \$ 126,696 | \$ 125,647 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 56,500  | \$ 56,500  | \$ 56,500  | \$ 56,500  | \$ 56,500  | \$ 56,500  |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period | \$ 305,048 | \$ 308,487 | \$ 318,947 | \$ 333,167 | \$ 324,240 | \$ 322,384 |
| Borrowings outstanding, end of period (000)                                  | \$ 29,989  | \$ 28,786  | \$ 27,229  | \$ 21,953  | \$ 19,488  | \$ 20,284  |
| Portfolio turnover rate  | 18%        | 30%        | 34%        | 21%        | 13%        | 32%        |

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

See notes to financial statements.

## Financial Highlights (continued)

(For a share outstanding throughout each period)

|   | Six Months Ended        | MIY<br>Year Ended July 31, |          |                      |                      |          |
|---|-------------------------|----------------------------|----------|----------------------|----------------------|----------|
|   | 01/31/19<br>(unaudited) | 2018                       | 2017     | 2016                 | 2015                 | 2014     |
| <b>Net asset value,<br/>beginning of period</b>   | \$ 15.04                | \$ 15.48                   | \$ 16.36 | \$ 15.48             | \$ 15.24             | \$ 14.16 |
| Net investment<br>income <sup>(a)</sup>   | 0.31                    | 0.69                       | 0.75     | 0.79                 | 0.83                 | 0.86     |
| Net realized and<br>unrealized gain (loss)  | (0.08)                  | (0.42)                     | (0.86)   | 0.92                 | 0.27                 | 1.12     |
| Net increase (decrease)<br>from investment<br>operations                                | 0.23                    | 0.27                       | (0.11)   | 1.71                 | 1.10                 | 1.98     |
| Distributions to<br>Common Shareholders<br>from net investment<br>income <sup>(b)</sup> | (0.31)                  | (0.71)                     | (0.77)   | (0.83)               | (0.86)               | (0.90)   |
| <b>Net asset value, end of<br/>period</b>   | \$ 14.96                | \$ 15.04                   | \$ 15.48 | \$ 16.36             | \$ 15.48             | \$ 15.24 |
| <b>Market price, end of<br/>period</b>  | \$ 12.81                | \$ 12.89                   | \$ 14.19 | \$ 15.38             | \$ 13.22             | \$ 13.47 |
| <b>Total Return<br/>Applicable to<br/>Common<br/>Shareholders<sup>(c)</sup></b>         |                         |                            |          |                      |                      |          |
| Based on net asset value  | 1.95% <sup>(d)</sup>    | 2.37%                      | (0.07)%  | 11.99%               | 8.08%                | 15.24%   |
| Based on market price   | 1.85% <sup>(d)</sup>    | (4.29)%                    | (2.56)%  | 23.28%               | 4.43%                | 14.74%   |
| <b>Ratios to Average Net<br/>Assets Applicable to<br/>Common Shareholders</b>           |                         |                            |          |                      |                      |          |
| Total expenses  | 2.44% <sup>(e)</sup>    | 2.16%                      | 1.88%    | 1.54% <sup>(f)</sup> | 1.52% <sup>(g)</sup> | 1.54%    |

|   |                      |            |            |                      |                      |            |
|---|----------------------|------------|------------|----------------------|----------------------|------------|
| Total expenses after fees waived and/or reimbursed and paid indirectly  | 2.44% <sup>(e)</sup> | 2.16%      | 1.88%      | 1.54% <sup>(f)</sup> | 1.48% <sup>(g)</sup> | 1.54%      |
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>(h)</sup> | 0.90% <sup>(e)</sup> | 0.89%      | 0.89%      | 0.93% <sup>(f)</sup> | 0.93% <sup>(g)</sup> | 0.93%      |
| Net investment income to Common Shareholders  | 4.20% <sup>(e)</sup> | 4.49%      | 4.81%      | 5.02%                | 5.30%                | 5.94%      |
| <b>Supplemental Data</b>  |                      |            |            |                      |                      |            |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 442,530           | \$ 444,947 | \$ 457,888 | \$ 483,968           | \$ 282,534           | \$ 278,143 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 231,900           | \$ 231,900 | \$ 231,900 | \$ 231,900           | \$ 144,600           | \$ 144,600 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period  | \$ 290,828           | \$ 291,870 | \$ 297,450 | \$ 308,697           | \$ 295,390           | \$ 292,354 |
| Borrowings outstanding, end of period (000)   | \$ 54,022            | \$ 60,002  | \$ 52,002  | \$ 51,227            | \$ 23,487            | \$ 23,487  |
| Portfolio turnover rate   | 9%                   | 8%         | 13%        | 19%                  | 19%                  | 16%        |

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Includes reorganization costs associated with the Fund's reorganization. Without these costs total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or

reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.49%, 1.49% and 0.88%, respectively.

- (g) Includes reorganization costs associated with the Fund's reorganization. Without these costs total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.48%, 1.48% and 0.92%, respectively
- (h) Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended<br>01/31/19<br>(unaudited) | MPA<br>Year Ended July 31, |          |          |                      |          |
|--|---|----------------------------|----------|----------|----------------------|----------|
|  |   | 2018                       | 2017     | 2016     | 2015                 | 2014     |
| <b>Net asset value,<br/>beginning of period</b>                                      | \$ 15.27                                    | \$ 15.74                   | \$ 16.76 | \$ 15.77 | \$ 15.77             | \$ 14.59 |
| Net investment income <sup>(a)</sup>   | 0.32  | 0.71                       | 0.76     | 0.80     | 0.81                 | 0.87     |
| Net realized and<br>unrealized gain (loss)   | (0.08)                                      | (0.47)                     | (1.03)   | 1.02     | 0.07                 | 1.20     |
| Net increase (decrease)<br>from investment<br>operations                             | 0.24  | 0.24                       | (0.27)   | 1.82     | 0.88                 | 2.07     |
| Distributions to Common<br>Shareholders from net<br>investment income <sup>(b)</sup> | (0.33)                                      | (0.71)                     | (0.75)   | (0.83)   | (0.88)               | (0.89)   |
| <b>Net asset value, end of<br/>period</b>  | \$ 15.18                                    | \$ 15.27                   | \$ 15.74 | \$ 16.76 | \$ 15.77             | \$ 15.77 |
| <b>Market price, end of<br/>period</b>   | \$ 13.19                                    | \$ 13.26                   | \$ 14.69 | \$ 16.07 | \$ 13.50             | \$ 13.89 |
| <b>Total Return Applicable<br/>to Common<br/>Shareholders<sup>(c)</sup></b>          |   |                            |          |          |                      |          |
| Based on net asset value   | 1.97% <sup>(d)</sup>                        | 2.09%                      | (1.20)%  | 12.38%   | 6.33%                | 15.39%   |
| Based on market price  | 2.03% <sup>(d)</sup>                        | (5.01)%                    | (3.83)%  | 25.87%   | 3.34%                | 13.45%   |
| <b>Ratios to Average Net<br/>Assets Applicable to<br/>Common Shareholders</b>        |   |                            |          |          |                      |          |
| Total expenses   | 2.59% <sup>(e)</sup>                        | 2.26%                      | 1.91%    | 1.46%    | 1.54% <sup>(f)</sup> | 1.48%    |
| Total expenses after fees<br>waived and/or reimbursed<br>and paid indirectly         | 2.59% <sup>(e)</sup>                        | 2.26%                      | 1.91%    | 1.46%    | 1.45% <sup>(f)</sup> | 1.48%    |

|   |                      |       |       |       |                      |       |
|---|----------------------|-------|-------|-------|----------------------|-------|
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>(g)</sup> | 0.96% <sup>(e)</sup> | 0.95% | 0.94% | 0.89% | 0.96% <sup>(f)</sup> | 0.95% |
| Net investment income to Common Shareholders  | 4.27% <sup>(e)</sup> | 4.56% | 4.83% | 4.98% | 5.05%                | 5.79% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)            | \$ 202,691 | \$ 203,956 | \$ 210,170 | \$ 223,738 | \$ 210,549 | \$ 181,459 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 82,600  | \$ 82,600  | \$ 82,600  | \$ 82,600  | \$ 82,600  | \$ 66,300  |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$ 345,388 | \$ 346,921 | \$ 354,444 | \$ 370,869 | \$ 354,901 | \$ 373,693 |
| Borrowings outstanding, end of period (000)                                  | \$ 56,058  | \$ 58,176  | \$ 55,826  | \$ 48,710  | \$ 28,468  | \$ 37,066  |
| Portfolio turnover rate  | 10%        | 21%        | 15%        | 17%        | 21%        | 16%        |

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.40%, 1.40% and 0.91% respectively.

(g) Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

See notes to financial statements.



## Notes to Financial Statements (unaudited)

**1. ORGANIZATION**

The following are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as closed-end management investment companies and are referred to herein collectively as the Funds , or individually as a Fund :

| <i>Fund Name</i>                                     | <i>Herein Referred To As</i> | <i>Organized</i> | <i>Diversification Classification</i> |
|--|------------------------------|------------------|---------------------------------------|
| BlackRock MuniHoldings California Quality Fund, Inc. | MUC                          | Maryland         | Diversified                           |
| BlackRock MuniHoldings New Jersey Quality Fund, Inc. | MUJ                          | Maryland         | Non-diversified                       |
| BlackRock MuniYield Investment Quality Fund          | MFT                          | Massachusetts    | Diversified                           |
| BlackRock MuniYield Michigan Quality Fund, Inc.      | MIY                          | Maryland         | Non-diversified                       |
| BlackRock MuniYield Pennsylvania Quality Fund        | MPA                          | Massachusetts    | Non-diversified                       |

The Boards of Directors and Boards of Trustees of the Funds are collectively referred to throughout this report as the Board of Directors or the Board, and the directors thereof are collectively referred to throughout this report as Directors . The Funds determine and make available for publication the net asset values ( NAVs ) of their Common Shares on a daily basis.

The Funds, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the Manager ) or its affiliates, are included in a complex of non-index fixed-income mutual funds and all BlackRock-advised closed-end funds referred to as the Fixed-Income Complex.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( U.S. GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates ). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on an accrual basis.

**Segregation and Collateralization:** In cases where a Fund enters into certain investments (e.g., futures contracts) or certain borrowings (e.g., TOB Trust transactions) that would be treated as senior securities for 1940 Act purposes, a Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty



agreement, the Funds may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

**Distributions:** Distributions from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date and made at least annually. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

Distributions to Preferred Shareholders are accrued and determined as described in Note 10.

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the Plan) approved by each Fund's Board, the independent Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain funds in the BlackRock Fixed-Income Complex selected by the Independent Directors. This has the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in certain funds in the BlackRock Fixed-Income Complex.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund, as applicable. Deferred compensation liabilities are included in the Directors' and Officer's fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Funds until such amounts are distributed in accordance with the Plan.

**Recent Accounting Standards:** In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update Premium Amortization of Purchased Callable Debt Securities which amends the amortization period for certain purchased callable debt securities. Under the new guidance, the premium amortization of purchased callable debt securities that have explicit, non-contingent call features and are callable at fixed prices will be amortized to the earliest call date. The guidance will be applied on a modified retrospective basis and is effective for fiscal years, and their interim periods, beginning after December 15, 2018. Management is currently evaluating the impact of this guidance to the Funds.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update 2018-13 Changes to the Disclosure Requirements for Fair Value Measurement which modifies disclosure requirements for fair value measurements. The guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. Management is currently evaluating the impact of this guidance to the Funds.

**Indemnifications:** In the normal course of business, a Fund enters into contracts that contain a variety of representations that provide general indemnification. A Fund's maximum exposure under these arrangements is unknown because it involves future potential claims against a Fund, which cannot be predicted with any certainty.

## Notes to Financial Statements (unaudited) (continued)

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

### 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**Investment Valuation Policies:** The Funds' investments are valued at fair value (also referred to as market value within the financial statements) as of the close of trading on the New York Stock Exchange ( NYSE ) (generally 4:00 p.m., Eastern time). U.S. GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds determine the fair values of their financial instruments using various independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee ) is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

**Fair Value Inputs and Methodologies:** The following methods and inputs are used to establish the fair value of each Fund's assets and liabilities:

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Investments in open-end U.S. mutual funds are valued at NAV each business day.

Futures contracts traded on exchanges are valued at their last sale price.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such investments, or in the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ( Fair Valued Investments ). The fair valuation approaches that may be used by the Global Valuation Committee will include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant and consistent with the principles of fair value measurement. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

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

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

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

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

#### **4. SECURITIES AND OTHER INVESTMENTS**

**Zero-Coupon Bonds:** Zero-coupon bonds are normally issued at a significant discount from face value and do not provide for periodic interest payments. These bonds may experience greater volatility in market value than other debt obligations of similar maturity which provide for regular interest payments.

**Forward Commitments and When-Issued Delayed Delivery Securities:** Certain Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. A Fund may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the



## Notes to Financial Statements (unaudited) (continued)

settlement date. Since the value of securities purchased may fluctuate prior to settlement, a Fund may be required to pay more at settlement than the security is worth. In addition, a Fund is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, a Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, a Fund's maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions.

**Municipal Bonds Transferred to TOB Trusts:** Certain Funds leverage their assets through the use of TOB Trust transactions. The Funds transfer municipal bonds into a special purpose trust (a TOB Trust). A TOB Trust issues two classes of beneficial interests: short-term floating rate interests (TOB Trust Certificates), which are sold to third party investors, and residual inverse floating rate interests (TOB Residuals), which are issued to the participating funds that contributed the municipal bonds to the TOB Trust. The TOB Trust Certificates have interest rates that reset weekly and their holders have the option to tender such certificates to the TOB Trust for redemption at par and any accrued interest at each reset date. The TOB Residuals held by a Fund provides the Fund with the right to cause the holders of a proportional share of the TOB Trust Certificates to tender their certificates to the TOB Trust at par plus accrued interest. The Funds may withdraw a corresponding share of the municipal bonds from the TOB Trust. Other funds managed by the investment adviser may also contribute municipal bonds to a TOB Trust into which a Fund has contributed bonds. If multiple BlackRock-advised funds participate in the same TOB Trust, the economic rights and obligations under the TOB Residuals will be shared among the funds ratably in proportion to their participation in the TOB Trust.

TOB Trusts are supported by a liquidity facility provided by a third party bank or other financial institution (the Liquidity Provider) that allows the holders of the TOB Trust Certificates to tender their certificates in exchange for payment of par plus accrued interest on any business day. The tendered TOB Trust Certificates are remarketed by a Remarketing Agent. In the event of a failed remarketing, the TOB Trust may draw upon a loan from the Liquidity Provider to purchase the tendered TOB Trust Certificates. Any loans made by the Liquidity Provider will be secured by the purchased TOB Trust Certificates held by the TOB Trust and will be subject to an increased interest rate based on number of days the loan is outstanding.

The TOB Trust may be collapsed without the consent of a Fund, upon the occurrence of a termination event, as defined in the TOB Trust agreement. Upon the occurrence of a termination event, a TOB Trust would be liquidated with the proceeds applied first to any accrued fees owed to the trustee of the TOB Trust, the Remarketing Agent and the Liquidity Provider. Upon certain termination events, TOB Trust Certificates holders will be paid before the TOB Residuals holders (i.e., the Funds) whereas in other termination events, TOB Trust Certificates holders and TOB Residuals holders will be paid pro rata.

While a Fund's investment policies and restrictions expressly permit investments in inverse floating rate securities, such as TOB Residuals, they restrict the ability of a Fund to borrow money for purposes of making investments. The management of each of MFT, MIY and MPA believes that each Fund's restriction on borrowings do not apply to the Fund's TOB Trust transactions. Each Fund's transfer of the municipal bonds to a TOB Trust is considered a secured borrowing for financial reporting purposes. The cash received by the TOB Trust from the sale of the TOB Trust Certificates, less certain transaction expenses, is paid to a Fund. A Fund typically invests the cash received in additional municipal bonds.

**Accounting for TOB Trusts:** The municipal bonds deposited into a TOB Trust are presented in a Fund's Schedule of Investments and the TOB Trust Certificates are shown in Other Liabilities in the Statements of Assets and Liabilities. Any loans drawn by the TOB Trust pursuant to the liquidity facility to purchase tendered TOB Trust Certificates are

shown as Loan for TOB Trust Certificates. The carrying amount of a Fund's payable to the holder of the TOB Trust Certificates, as reported in the Statements of Assets and Liabilities as TOB Trust Certificates, approximates its fair value.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by a Fund on an accrual basis. Interest expense incurred on the TOB Trust transaction and other expenses related to remarketing, administration, trustee, liquidity and other services to a TOB Trust are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. Fees paid upon creation of the TOB Trust are recorded as debt issuance costs and are amortized to interest expense, fees and amortization of offering costs in the Statements of Operations to the expected maturity of the TOB Trust. In connection with the restructurings of the TOB Trusts to non-bank sponsored TOB Trusts, a Fund incurred non-recurring, legal and restructuring fees, which are recorded as interest expense, fees and amortization of deferred offering costs in the Statements of Operations.

Amounts recorded within interest expense, fees and amortization of offering costs in the Statements of Operations are:

|     | <i>Interest<br/>Expense</i> | <i>Liquidity<br/>Fees</i> | <i>Other<br/>Expenses</i> | <i>Total</i> |
|-----|-----------------------------|---------------------------|---------------------------|--------------|
| MUC | \$ 1,326,087                | \$ 385,997                | \$ 115,815                | \$ 1,827,899 |
| MUJ | 508,229                     | 124,271                   | 75,159                    | 707,659      |
| MFT | 224,719                     | 61,190                    | 24,508                    | 310,417      |
| MIY | 453,267                     | 124,389                   | 36,314                    | 613,970      |
| MPA | 457,724                     | 140,418                   | 33,567                    | 631,709      |

For the six months ended January 31, 2019, the following table is a summary of each Fund's TOB Trusts:

|     | <i>Underlying<br/>Municipal Bonds<br/>Transferred to<br/>TOB Trusts (a)</i> | <i>Liability for<br/>TOB Trust<br/>Certificates (b)</i> | <i>Range of<br/>Interest<br/>Rates<br/>on TOB Trust<br/>Certificates<br/>at<br/>Period End</i> |       | <i>Average<br/>TOB Trust<br/>Certificate<br/>Outstanding</i> | <i>Daily Weighted<br/>Average<br/>Rate<br/>of<br/>Interest<br/>and<br/>Other Expenses<br/>on TOB Trusts</i> |
|-----|---|---|--|-------|--|---|
| MUC | \$ 336,460,826  | \$ 167,017,593  | 1.25%  | 1.41% | \$ 167,807,275   | 2.16%   |
| MUJ | 114,707,858   | 62,747,370  | 1.29   | 1.49  | 62,747,370   | 2.24  |
| MFT | 54,357,984  | 29,988,610  | 1.29   | 1.49  | 28,115,938   | 2.19  |
| MIY | 100,668,159   | 54,022,057  | 1.32   | 1.49  | 55,922,220   | 2.18  |
| MPA | 96,063,372  | 56,058,453  | 1.31   | 1.49  | 57,484,660   | 2.18  |

## Notes to Financial Statements (unaudited) (continued)

- (a) The municipal bonds transferred to a TOB Trust are generally high grade municipal bonds. In certain cases, when municipal bonds transferred are lower grade municipal bonds, the TOB Trust transaction may include a credit enhancement feature that provides for the timely payment of principal and interest on the bonds to the TOB Trust by a credit enhancement provider in the event of default of the municipal bond. The TOB Trust would be responsible for the payment of the credit enhancement fee and the funds, as TOB Residuals holders, would be responsible for reimbursement of any payments of principal and interest made by the credit enhancement provider. The maximum potential amounts owed by the funds, for such reimbursements, as applicable, are included in the maximum potential amounts disclosed for recourse TOB Trusts.
- (b) TOB Trusts may be structured on a non-recourse or recourse basis. When a fund invests in TOB Trusts on a non-recourse basis, the Liquidity Provider may be required to make a payment under the liquidity facility to allow the TOB Trust to repurchase TOB Trust Certificates. The Liquidity Provider will be reimbursed from the liquidation of bonds held in the TOB Trust. If a fund invests in a TOB Trust on a recourse basis, a fund enters into a reimbursement agreement with the Liquidity Provider where a fund is required to reimburse the Liquidity Provider for any shortfall between the amount paid by the Liquidity Provider and proceeds received from liquidation of municipal bonds held in the TOB Trust (the *Liquidation Shortfall*). As a result, if a fund invests in a recourse TOB Trust, a fund will bear the risk of loss with respect to any *Liquidation Shortfall*. If multiple funds participate in any such TOB Trust, these losses will be shared ratably, including the maximum potential amounts owed by a fund at January 31, 2019, in proportion to their participation in the TOB Trust. The recourse TOB Trusts are identified in the Schedules of Investments including the maximum potential amounts owed by a fund at January 31, 2019.

For the six months ended January 31, 2019, the following table is a summary of each Fund's Loan for TOB Trust Certificates:

|     | <i>Loan Outstanding at Period End</i> | <i>Interest Rate on Loan at Period End</i> | <i>Average Loans Outstanding</i> | <i>Daily Weighted Average Rate of Interest and Other Expenses on Loans</i> |
|-----|---------------------------------------|--|----------------------------------|--|
| MUC | \$                                    | %  | \$ 547,045                       | 0.82%  |

## 5. DERIVATIVE FINANCIAL INSTRUMENTS

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to manage their exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk, commodity price risk or other risks (e.g., inflation risk). Derivative financial instruments categorized by risk exposure are included in the Schedules of Investments. These contracts may be transacted on an exchange or over-the-counter (OTC).

**Futures Contracts:** Futures contracts are purchased or sold to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk), and changes in the value of equity securities (equity risk) or foreign currencies

(foreign currency exchange rate risk).

Futures contracts are agreements between the Funds and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged, which are considered restricted, are included in cash pledged for futures contracts in the Statements of Assets and Liabilities.

Securities deposited as initial margin are designated in the Schedules of Investments and cash deposited, if any, is shown as cash pledged for futures contracts in the Statements of Assets and Liabilities. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract (variation margin). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statements of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statements of Operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest, foreign currency exchange rates or underlying assets.

**6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES**

**INVESTMENT ADVISORY:** Each Fund entered into an Investment Advisory Agreement with the Manager, the Funds' investment adviser and an indirect, wholly-owned subsidiary of BlackRock, to provide investment advisory and administrative services. The Manager is responsible for the management of each Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of each Fund.

For such services, each Fund pays the Manager a monthly fee at an annual rate equal to the following percentages of the average daily value of each Fund's net assets.

|                          | <i>MUC</i> | <i>MUJ</i> | <i>MFT</i> | <i>MIY</i> | <i>MPA</i> |
|--------------------------|------------|------------|------------|------------|------------|
| Investment advisory fees | 0.55%      | 0.50%      | 0.50%      | 0.49%      | 0.49%      |

For purposes of calculating these fees, net assets mean the total assets of each Fund minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of any outstanding preferred shares). It is understood that the liquidation preference of any outstanding preferred stock (other than accumulated dividends) and TOB Trusts is not considered a liability in determining a Fund's NAV.

**Waivers:** The Manager, for MUC, voluntarily agreed to waive its investment advisory fee on the proceeds of the Preferred Shares and TOB Trusts that exceed 35% of total assets minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of any outstanding preferred shares). The voluntary waiver may be reduced or discontinued at any time without notice. This amount is included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended January 31, 2019 the waiver was \$267,712.





## Notes to Financial Statements (unaudited) (continued)

With respect to each Fund, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver"). These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended January 31, 2019, the amounts waived were as follows:

|                | <i>MUC</i> | <i>MUJ</i> | <i>MFT</i> | <i>MIY</i> | <i>MPA</i> |
|----------------|------------|------------|------------|------------|------------|
| Amounts waived | \$ 770     | \$ 1,456   | \$ 492     | \$ 1,720   | \$ 952     |

The Manager contractually agreed to waive its investment advisory fee with respect to any portion of each assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2019. The agreement can be renewed for annual periods thereafter, and may be terminated on 90 days' notice, each subject to approval by a majority of the Fund's Independent Directors. For the six months ended January 31, 2019, there were no fees waived by the Manager.

**Directors and Officers:** Certain directors and/or officers of the Funds are directors and/or officers of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of the compensation paid to the Funds' Chief Compliance Officer, which is included in Directors and Officer in the Statements of Operations.

**Other Transactions:** The Fund may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common trustees. For the six months ended January 31, 2019, the purchase and sale transactions and any net realized gains (losses) with an affiliated funds in compliance with Rule 17a-7 under the 1940 Act were as follows:

|   |                  | <i>Net Realized</i> |
|---|------------------|---------------------|
|   | <i>Purchases</i> | <i>Sales</i>        |
|   |                  | <i>Gain (Loss)</i>  |
| BlackRock MuniYield Investment Quality Fund | \$               | \$ 99,351           |
|   |                  | \$ (7,368)          |

## 7. PURCHASES AND SALES

For the six months ended January 31, 2019, purchases and sales of investments, excluding short-term securities, were as follows:

|           | <i>MUC</i>     | <i>MUJ</i>    | <i>MFT</i>    | <i>MIY</i>    | <i>MPA</i>    |
|-----------|----------------|---------------|---------------|---------------|---------------|
| Purchases | \$ 153,957,028 | \$ 44,492,644 | \$ 38,548,128 | \$ 73,764,179 | \$ 35,483,376 |
| Sales     | 201,224,068    | 47,440,257    | 35,847,020    | 78,995,249    | 32,525,746    |

## 8. INCOME TAX INFORMATION

It is each Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

Each Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Fund's U.S. federal tax returns generally remains open for each of the four years ended July 31, 2018. The statutes of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Funds as of January 31, 2019, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements.

As of July 31, 2018, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| <i>Expires July 31,</i>           | <i>MUJ</i> | <i>MFT</i>   | <i>MIY</i>   | <i>MPA</i>   |
|-----------------------------------|------------|--------------|--------------|--------------|
| No expiration date <sup>(a)</sup> | \$ 715,913 | \$ 5,782,781 | \$ 1,788,344 | \$ 1,302,025 |
| 2019                              |            |              |              | 50,303       |
|                                   | \$ 715,913 | \$ 5,782,781 | \$ 1,788,344 | \$ 1,352,328 |

<sup>(a)</sup> Must be utilized prior to losses subject to expiration.

As of January 31, 2019, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

|                               | <i>MUC</i>     | <i>MUJ</i>     | <i>MFT</i>     | <i>MIY</i>     | <i>MPA</i>     |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Tax cost                      | \$ 819,663,718 | \$ 655,700,745 | \$ 164,625,021 | \$ 641,439,410 | \$ 277,022,618 |
| Gross unrealized appreciation | 31,191,918     | 38,392,796     | 8,258,408      | 27,531,435     | 11,862,786     |
| Gross unrealized depreciation | (3,681,152)    | (4,848,225)    | (698,943)      | (2,577,600)    | (2,257,793)    |
| Net unrealized appreciation   | \$ 27,510,766  | \$ 33,544,571  | \$ 7,559,465   | \$ 24,953,835  | \$ 9,604,993   |

## Notes to Financial Statements (unaudited) (continued)

**9. PRINCIPAL RISKS**

Many municipalities insure repayment of their bonds, which may reduce the potential for loss due to credit risk. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet its obligation.

Inventories of municipal bonds held by brokers and dealers may decrease, which would lessen their ability to make a market in these securities. Such a reduction in market making capacity could potentially decrease a Fund's ability to buy or sell bonds. As a result, a Fund may sell a security at a lower price, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative impact on performance. If a Fund needed to sell large blocks of bonds, those sales could further reduce the bonds' prices and impact performance.

In the normal course of business, certain Funds invest in securities or other instruments and may enter into certain transactions, and such activities subject each Fund to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations.

Each Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force each Fund to reinvest in lower yielding securities. Each Fund may also be exposed to reinvestment risk, which is the risk that income from each Fund's portfolio will decline if each Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below each Fund portfolio's current earnings rate.

The Funds may hold a significant amount of bonds subject to calls by the issuers at defined dates and prices. When bonds are called by issuers and the Funds reinvest the proceeds received, such investments may be in securities with lower yields than the bonds originally held, and correspondingly, could adversely impact the yield and total return performance of a Fund.

A Fund structures and sponsors the TOB Trusts in which it holds TOB Residuals and has certain duties and responsibilities, which may give rise to certain additional risks including, but not limited to, compliance, securities law and operational risks.

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

The SEC and various federal banking and housing agencies have adopted credit risk retention rules for securitizations (the Risk Retention Rules). The Risk Retention Rules would require the sponsor of a TOB Trust to retain at least 5% of the credit risk of the underlying assets supporting the TOB Trust's municipal bonds. The Risk Retention Rules may adversely affect the Funds' ability to engage in TOB Trust transactions or increase the costs of such transactions in certain circumstances.

TOB Trusts constitute an important component of the municipal bond market. Any modifications or changes to rules governing TOB Trusts may adversely impact the municipal market and the Funds, including through reduced demand for and liquidity of municipal bonds and increased financing costs for municipal issuers. The ultimate impact of any potential modifications on the TOB Trust market and the overall municipal market is not yet certain.

**Counterparty Credit Risk:** The Funds may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions. The Funds manage counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Funds.

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

With exchange-traded futures, there is less counterparty credit risk to the Funds since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency). Additionally, credit risk exists in exchange-traded futures with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Funds.

**Concentration Risk:** Each of MUC, MUJ, MIY and MPA invests a substantial amount of its assets in issuers located in a single state or limited number of states. This may subject each Fund to the risk that economic, political or social issues impacting a particular state or group of states could have an adverse and disproportionate impact on the income from, or the value or liquidity of, the Funds' respective portfolios. Investment percentages in specific states or U.S. territories are presented in the Schedules of Investments.

As of period end, MUC invested a significant portion of their assets in securities in the county, city, special district and school district sector. MUJ and MFT invested a significant portion of its assets in securities in the transportation sector. Changes in economic conditions affecting such sectors would have a greater impact on the Funds and could affect the value, income and/or liquidity of positions in such securities.

## Notes to Financial Statements (unaudited) (continued)

Certain Funds invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Funds may be subject to a greater risk of rising interest rates due to the current period of historically low rates. The Federal Reserve has begun to raise the Federal Funds rate, and each increase results in more pronounced interest rate risk in the current market environment.

**10. CAPITAL SHARE TRANSACTIONS****Common Shares**

MFT and MPA are authorized to issue an unlimited number of Common Shares and 1 million Preferred Shares, all of which were initially classified as Common Shares. MUC, MUJ and MIY each is authorized to issue 200 million shares, all of which were initially classified as Common Shares. The par value for each Fund's Common Shares is \$0.10. The par value for each Fund's Preferred Shares outstanding is \$0.10, except for MFT and MPA, which is \$0.05. The Board is authorized, however, to reclassify any unissued Common Shares to Preferred Shares without the approval of Common Shareholders.

For the six months ended January 31, 2019, shares issued and outstanding remained constant for MFT. For the year ended July 31, 2018, shares issued and outstanding increased by 1,844, for MFT as a result of dividend reinvestment.

For the six months ended January 31, 2019 and the year ended July 31, 2018, shares issued and outstanding remained constant for MUC, MUJ, MIY and MPA.

On November 15, 2018, the Board authorized each Fund to participate in an open market share repurchase program. Under the program, each Fund may repurchase up to 5% of its outstanding common shares through November 30, 2019, based on common shares outstanding as of the close of business on November 30, 2018, subject to certain conditions. There is no assurance that the Funds will purchase shares in any particular amounts. For the six months ended January 31, 2019, the Funds did not repurchase any shares.

**Preferred Shares**

A Fund's Preferred Shares rank prior to its Common Shares as to the payment of dividends by the Fund and distribution of assets upon dissolution or liquidation of the Fund. The 1940 Act prohibits the declaration of any dividend on Common Shares or the repurchase of Common Shares if the Fund fails to maintain asset coverage of at least 200% of the liquidation preference of the its outstanding Preferred Shares. In addition, pursuant to the Preferred Shares governing instruments, a Fund is restricted from declaring and paying dividends on classes of shares ranking junior to or on parity with its Preferred Shares or repurchasing such shares if the Fund fails to declare and pay dividends on the Preferred Shares, redeem any Preferred Shares required to be redeemed under the Preferred Shares governing instruments or comply with the basic maintenance amount requirement of the ratings agencies rating the Preferred Shares.

Holders of Preferred Shares have voting rights equal to the voting rights of holders of Common Shares (one vote per share) and vote together with holders of Common Shares (one vote per share) as a single class on certain matters. Holders of Preferred Shares, voting as a separate class, are also entitled to (i) elect two members of the Board,

(ii) elect the full Board if dividends on the Preferred Shares are not paid for a period of two years and (iii) a separate class vote to amend the Preferred Share governing documents. In addition, the 1940 Act requires the approval of the holders of a majority of any outstanding Preferred Shares, voting as a separate class, to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

### VRDP Shares

MUJ, MIY and MPA (for purposes of this section, a VRDP Fund), have issued Series W-7 VRDP Shares, \$100,000 liquidation preference per share, in one or more privately negotiated offerings to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act). The VRDP Shares include a liquidity feature and may be subject to a special rate period.

As of period end, the VRDP Shares outstanding of each Fund were as follows:

|     | <i>Issue<br/>Date</i> | <i>Shares<br/>Issued</i> | <i>Aggregate<br/>Principal</i> | <i>Maturity<br/>Date</i> |
|-----|-----------------------|--------------------------|--------------------------------|--------------------------|
| MUJ | 06/30/11              | 1,727                    | \$ 172,700,000                 | 07/01/41                 |
|     | 04/13/15              | 644                      | 64,400,000                     | 07/01/41                 |
| MIY | 04/21/11              | 1,446                    | 144,600,000                    | 05/01/41                 |
|     | 09/14/15              | 873                      | 87,300,000                     | 05/01/41                 |
| MPA | 05/19/11              | 663                      | 66,300,000                     | 06/01/41                 |
|     | 04/13/15              | 163                      | 16,300,000                     | 06/01/41                 |

**Redemption Terms:** A VRDP Fund is required to redeem its VRDP Shares on the maturity date, unless earlier redeemed or repurchased. Six months prior to the maturity date, a VRDP Fund is required to begin to segregate liquid assets with the Fund's custodian to fund the redemption. In addition, a VRDP Fund is required to redeem certain of its outstanding VRDP Shares if it fails to comply with certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, the VRDP Shares may also be redeemed, in whole or in part, at any time at the option of a VRDP Fund. The redemption price per VRDP Share is equal to the liquidation preference per share plus any outstanding unpaid dividends.

## Notes to Financial Statements (unaudited) (continued)

**Liquidity Feature:** VRDP Shares are subject to a fee agreement between the VRDP Fund and the liquidity provider that requires a per annum liquidity fee and, in some cases, an upfront or initial commitment fee, payable to the liquidity provider. These fees, if applicable, are shown as liquidity fees in the Statements of Operations. The fee agreement is set to expire, unless renewed or terminated in advance, as follows:

| Expiration Date | <i>MUJ</i> | <i>MIY</i> | <i>MPA</i> |
|-----------------|------------|------------|------------|
|                 | 04/15/20   | 07/04/19   | 07/04/19   |

In the event a fee agreement is not renewed or is terminated in advance, and the VRDP Fund does not enter into a fee agreement with an alternate liquidity provider, the VRDP Shares will be subject to mandatory purchase by the liquidity provider prior to the termination of the fee agreement. In the event of such mandatory purchase, a VRDP Fund is required to redeem the VRDP Shares six months after the purchase date. Immediately after such mandatory purchase, the VRDP Fund is required to begin to segregate liquid assets with its custodian to fund the redemption. There is no assurance that a VRDP Fund will replace such redeemed VRDP Shares with any other preferred shares or other form of leverage.

**Remarketing:** A VRDP Fund may incur remarketing fees on the aggregate principal amount of all its VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. During any special rate period (as described below), a VRDP Fund may incur nominal or no remarketing fees.

**Ratings:** As of period end, the VRDP Shares were assigned the following long-term ratings:

|     | <i>Moody's</i> | <i>Fitch</i> |
|-----|----------------|--------------|
| MUJ | Aa2            | AAA          |
| MIY | Aa2            | AAA          |
| MPA | Aa2            | AAA          |

Any short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody's and Fitch. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly based upon either short-term rating. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories. As of period end, the short-term ratings of the VRDP Shares were within the two highest rating categories as follows:

|     | <i>Moody's</i> | <i>Fitch</i> |
|-----|----------------|--------------|
| MIY | P-1            | F1           |

**Special Rate Period:** A VRDP Fund may commence a special rate period with respect to its VRDP Shares, during which the VRDP Shares will not be subject to any remarketing and the dividend rate will be based on a predetermined methodology. During a special rate period, short-term ratings on VRDP Shares are withdrawn. The following VRDP Funds have commenced or are set to commence a special rate period:



*Expiration Date as of Period Ended*

|     | <i>Commencement Date</i> | <i>January 31, 2019</i> |
|-----|--------------------------|-------------------------|
| MUJ | 04/17/2014*              | 04/15/2020              |
| MPA | 06/21/2012*              | 06/19/2019              |

\* Issuance date of VRDP Shares.

The following VRDP Fund was in a special rate period that terminated during the reporting period:

|     | <i>Commencement Date</i> | <i>Termination Date</i> |
|-----|--------------------------|-------------------------|
| MIY | 06/21/12*                | 01/24/19                |

\* Issuance date of VRDP Shares.

Prior to the expiration date, the VRDP Fund and the VRDP Shares holder may mutually agree to extend the special rate period. If a special rate period is not extended, the VRDP Shares will revert to remarketable securities upon the termination of the special rate period and will be remarketed and available for purchase by qualified institutional investors.

During the special rate period: (i) the liquidity and fee agreements remain in effect, (ii) VRDP Shares remain subject to mandatory redemption by the VRDP Fund on the maturity date, (iii) VRDP Shares will not be remarketed or subject to optional or mandatory tender events, (iv) the VRDP Fund is required to comply with the same asset coverage, basic maintenance amount and leverage requirements for the VRDP Shares as is required when the VRDP Shares are not in a special rate period, (v) the VRDP Fund will pay dividends monthly based on the sum of the Securities Industry and Financial Markets Association ( SIFMA ) Municipal Swap Index rate and a percentage per annum based on the long-term ratings assigned to the VRDP Shares and (vi) the VRDP Fund will pay nominal or no fees to the liquidity provider and remarketing agent.

If a VRDP Fund redeems its VRDP Shares prior to end of the special rate period and the VRDP Shares have long-term ratings above A1/A+ and its equivalent by all ratings agencies then rating the VRDP Shares, then such redemption may be subject to a redemption premium payable to the holder of the VRDP Shares based on the time remaining in the special rate period, subject to certain exceptions for redemptions that are required to comply with minimum asset coverage requirements.

**Dividends:** Except during the Special Rate Period, dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly based upon either

## Notes to Financial Statements (unaudited) (continued)

short-term rating. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed.

For the six months ended January 31, 2019, the annualized dividend rates for the VRDP Shares were as follows:

| Rate               | <i>MUJ</i> | <i>MIY</i> | <i>MPA</i> |
|--------------------|------------|------------|------------|
| <b>VMTP Shares</b> | 1.22%      | 1.20%      | 1.22%      |

MUC and MFT (for purposes of this section, a VMTP Fund ) have issued Series W-7 VMTP Shares, \$100,000 liquidation preference per share, in one or more privately negotiated offerings to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act. The VMTP Shares are subject to certain restrictions on transfer, and a VMTP Fund may also be required to register its VMTP Shares for sale under the Securities Act under certain circumstances. In addition, amendments to the VMTP governing documents generally require the consent of the holders of VMTP Shares. As of period end, the VMTP Shares outstanding were as follows:

|     | <i>Issue Date</i> | <i>Shares Issued</i> | <i>Aggregate Principal</i> | <i>Maturity Date</i> |
|-----|-------------------|----------------------|----------------------------|----------------------|
| MUC | 03/22/12          | 2,540                | \$ 254,000,000             | 03/30/20             |
| MFT | 12/16/11          | 565                  | 56,500,000                 | 07/02/20             |

**Redemption Terms:** A VMTP Fund is required to redeem its VMTP Shares on the term redemption date, unless earlier redeemed or repurchased or unless extended. There is no assurance that a term will be extended further or that any VMTP Shares will be replaced with any other preferred shares or other form of leverage upon the redemption or repurchase of the VMTP Shares. Six months prior to the term redemption date, a VMTP Fund is required to begin to segregate liquid assets with its custodian to fund the redemption. In addition, a VMTP Fund is required to redeem certain of its outstanding VMTP Shares if it fails to comply with certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, VMTP Shares may be redeemed, in whole or in part, at any time at the option of the VMTP Fund. The redemption price per VMTP Share is equal to the liquidation preference per share plus any outstanding unpaid dividends and applicable redemption premium. If a VMTP Fund redeems its VMTP Shares prior to the term redemption date and the VMTP Shares have long-term ratings above A1/A+ or its equivalent by the ratings agencies then rating the VMTP Shares, then such redemption may be subject to a prescribed redemption premium (up to 3% of the liquidation preference) payable to the holder of the VMTP Shares based on the time remaining until the term redemption date, subject to certain exceptions for redemptions that are required to comply with minimum asset coverage requirements.

**Dividends:** Dividends on the VMTP Shares are declared daily and payable monthly at a variable rate set weekly at a fixed rate spread to the SIFMA Municipal Swap Index or to a percentage of the one-month LIBOR rate, as set forth in the VMTP Shares governing instrument. The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by the ratings agencies then rating the VMTP Shares. As of period end, the VMTP

Shares were assigned the following long-term ratings:

|     | <i>Moody's</i> | <i>Fitch</i> |
|-----|----------------|--------------|
| MUC | Aa2            | AAA          |
| MFT | Aa1            | AAA          |

The dividend rate on VMTP Shares is subject to a step-up spread if the VMTP Fund fails to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and complying with certain asset coverage and leverage requirements.

For the six months ended January 31, 2019, the average annualized dividend rates for the VMTP Shares were as follows:

|      | <i>MUC</i> | <i>MFT</i> |
|------|------------|------------|
| Rate | 1.20%      | 1.30%      |

For the six months ended January 31, 2019, VMTP Shares issued and outstanding of each Fund remained constant.

**Offering Costs:** The Funds incurred costs in connection with the issuance of VRDP and VMTP Shares, which were recorded as a direct deduction from the carrying value of the related debt liability and will be amortized over the life of the VRDP Shares with the exception of upfront fees paid to the liquidity provider which were amortized over the life of the liquidity agreement. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

**Financial Reporting:** The VRDP and VMTP Shares are considered debt of the issuer; therefore, the liquidation preference, which approximates fair value of the VRDP and VMTP Shares, is recorded as a liability in the Statements of Assets and Liabilities net of deferred offering costs. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the VRDP and VMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. The VRDP and VMTP Shares are treated as equity for tax purposes. Dividends paid to holders of the VRDP and VMTP Shares are generally classified as tax-exempt income for tax-reporting purposes. Dividends and amortization of deferred offering costs on VRDP and VMTP Shares are included in interest expense, fees and amortization of offering costs in the Statements of Operations:

|     | <i>Dividends<br/>Accrued</i> | <i>Deferred<br/>Offering Costs<br/>Amortization</i> |
|-----|------------------------------|---|
| MUC | \$ 3,048,139                 | \$  |
| MUJ | 2,894,699                    | 9,597   |
| MFT | 736,341                      |   |
| MIY | 2,786,961                    | 4,832   |
| MPA | 1,005,717                    | 5,612   |

## Notes to Financial Statements (unaudited) (continued)

**11. REGULATION S-X AMENDMENTS**

On August 17, 2018, the SEC adopted amendments to certain disclosure requirements in Securities Act Release No. 33-10532, Disclosure Update and Simplification. The Funds have adopted the amendments pertinent to Regulation S-X in this shareholder report. The amendments impacted certain disclosure presentation on the Statements of Assets and Liabilities, Statements of Changes in Net Assets and Notes to Financial Statements.

Prior year distribution information and undistributed net investment income in the Statements of Changes in Net Assets has been modified to conform to the current year presentation in accordance with the Regulation S-X changes.

Distributions for the year ended July 31, 2018, were classified as follows:

|     | <i>Net Investment Income</i> |
|-----|------------------------------|
| MUC | \$ 27,389,659                |
| MUJ | 22,304,151                   |
| MFT | 6,747,670                    |
| MIY | 21,027,723                   |
| MPA | 9,542,548                    |

Undistributed net investment income as of July 31, 2018, is as follows:

|     | <i>Undistributed<br/>Net Investment Income</i> |
|-----|--|
| MUC | \$ 2,019,353                                   |
| MUJ | 2,514,002                                      |
| MFT | 828,755  |
| MIY | 673,979  |
| MPA | 646,458  |

**12. SUBSEQUENT EVENTS**

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following items were noted:

|     | Common Dividend            |                                | Preferred Shares <sup>(c)</sup> |        |            |
|-----|----------------------------|--------------------------------|---------------------------------|--------|------------|
|     | Per Share                  |                                | Shares                          | Series | Declared   |
|     | <i>Paid</i> <sup>(a)</sup> | <i>Declared</i> <sup>(b)</sup> |                                 |        |            |
| MUC | \$ 0.0475                  | \$ 0.0475                      | VMTP                            | W-7    | \$ 460,540 |
| MUJ | 0.0525                     | 0.0525                         | VRDP                            | W-7    | 453,543    |
| MFT | 0.0590                     | 0.0590                         | VMTP                            | W-7    | 115,417    |

|     |        |        |      |     |         |
|-----|--------|--------|------|-----|---------|
| MIY | 0.0520 | 0.0520 | VRDP | W-7 | 313,732 |
| MPA | 0.0530 | 0.0530 | VRDP | W-7 | 157,370 |

- (a) Net investment income dividend paid on March 1, 2019 to Common Shareholders of record on February 15, 2019.
- (b) Net investment income dividend declared on March 1, 2019, payable to Common Shareholders of record on March 15, 2019.
- (c) Dividends declared for period February 1, 2019 to February 28, 2019.

Director and Officer Information

Richard E. Cavanagh, Co-Chair of the Board and Director

Karen P. Robards, Co-Chair of the Board and Director

Michael J. Castellano, Director

Cynthia L. Egan, Director

Frank J. Fabozzi, Director

Henry Gabbay, Director

R. Glenn Hubbard, Director

W. Carl Kester, Director

Catherine A. Lynch, Director

Robert Fairbairn, Director

John M. Perlowski, Director, President and Chief Executive Officer

Jonathan Diorio, Vice President

Neal J. Andrews, Chief Financial Officer

Jay M. Fife, Treasurer

Charles Park, Chief Compliance Officer

Janey Ahn, Secretary

Effective January 1, 2019, Richard E. Cavanagh and Karen P. Robards were appointed as a Co-Chair of the Board. Prior to January 1, 2019, Mr. Cavanagh served as Chair of the Board and Ms. Robards served as Vice Chair of the Board. In addition, effective January 1, 2019, Henry Gabbay was appointed as a Director of each Fund.

**Investment Adviser**

BlackRock Advisors, LLC

Wilmington, DE 19809

**Accounting Agent and Custodian**

State Street Bank and Trust Company

Boston, MA 02111

**Transfer Agent**

Computershare Trust Company, N.A.

Canton, MA 02021

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

The Bank of New York Mellon

New York, NY 10286

**VRDP Liquidity Providers**

Citibank, N.A.<sup>(a)</sup>

New York, NY 10179

Bank of America, N.A.<sup>(b)</sup>

New York, NY 10036

**VRDP Remarketing Agents**

Citigroup Global Markets Inc.<sup>(a)</sup>

New York, NY 10179

Merrill Lynch, Pierce, Fenner & Smith Incorporated<sup>(b)</sup>

New York, NY 10036

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP

Boston, MA 02116

**Legal Counsel**

Willkie Farr & Gallagher LLP

New York, NY 10019

**Address of the Funds**

100 Bellevue Parkway

Wilmington, DE 19809

(a) For MIY and MPA.

(b) For MUJ.

DIRECTOR AND OFFICER INFORMATION

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Additional Information

**Section 19(a) Notices**

The amounts and sources of distributions reported in this notice are estimates that are subject to change based on the Fund's investment experience during the remainder of the calendar year, are for financial reporting purposes and are not being provided for tax reporting purposes. The actual amounts and character of the distributions for tax reporting purposes will be reported to shareholders on Form 1099-DIV which is sent to shareholders shortly after calendar year end.

| BlackRock<br>MuniYield<br>Pennsylvania<br>Quality Fund | Ticker      | Total Fiscal Year to Date Cumulative<br>Distributions by Character |                  |                      | Percentage of Fiscal Year to Date<br>Cumulative<br>Distributions by Character |                  |                              |   |   |      |
|--|-------------|--|------------------|----------------------|---|------------------|------------------------------|---|---|------|
|  |             | Net<br>Realized  | Net<br>Realized  | Total Per            | Net<br>Realized   | Net<br>Realized  | Total Per                    |   |   |      |
|  |             | Investment<br>Income   | Capital<br>Gains | Return of<br>Capital | Investment<br>Income  | Capital<br>Gains | Return of<br>Common<br>Share |   |   |      |
|  |             | Short-Term   | Long-Term        | Capital              | Short-Term  | Long-Term        | Capital                      |   |   |      |
| MPA  | \$ 0.328000 | \$   | \$               | \$                   | \$ 0.328000   | 100%             | %                            | % | % | 100% |

Section 19(a) notices for the Trusts, as applicable, are available on the BlackRock website at <http://www.blackrock.com>.

**Fund Certification**

The Funds are listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Funds filed with the SEC the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

**Dividend Policy**

Each Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the distributions paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

**General Information**

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of each Fund has not been updated after completion of the respective Fund's offerings and the information contained in each Fund's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds. Except as disclosed on page xx, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

In accordance with Section 23(c) of the Investment Company Act of 1940, each Fund may from time to time purchase shares of its common stock in the open market or in private transactions.

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Funds, may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. Any reference to BlackRock's website in this report is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

### **Electronic Delivery**

Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder reports by enrolling in the electronic delivery program. Electronic copies of shareholder reports are available on BlackRock's website.

To enroll in electronic delivery:

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

Please contact your financial advisor. Please note that not all investment advisers, banks or brokerages may offer this service.

### **Householding**

The Funds will mail only one copy of shareholder documents, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called householding and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Funds at (800) 882-0052.

### **Availability of Quarterly Schedule of Investments**

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

Additional Information (continued)

### **Availability of Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available upon request and without charge (1) by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

### **Availability of Proxy Voting Record**

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com>; or by calling (800) 882-0052; and (2) on the SEC's website at <http://www.sec.gov>.

### **Availability of Fund Updates**

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the Closed-end Funds' section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to check the website for updated performance information and the release of other material information about the Funds. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

### **BlackRock Privacy Principles**

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the

non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

## Glossary of Terms Used in this Report

### Portfolio Abbreviations

|         |   |
|---------|---|
| AGC     | Assured Guarantee Corp.                 |
| AGM     | Assured Guaranty Municipal Corp.        |
| AMBAC   | American Municipal Bond Assurance Corp. |
| AMT     | Alternative Minimum Tax (subject to)    |
| ARB     | Airport Revenue Bonds                   |
| BAM     | Build America Mutual Assurance Co.      |
| BARB    | Building Aid Revenue Bonds              |
| CAB     | Capital Appreciation Bonds              |
| COP     | Certificates of Participation           |
| EDA     | Economic Development Authority          |
| EDC     | Economic Development Corp.              |
| ERB     | Education Revenue Bonds                 |
| GARB    | General Airport Revenue Bonds           |
| GO      | General Obligation Bonds                |
| HDA     | Housing Development Authority           |
| HFA     | Housing Finance Agency                  |
| IDA     | Industrial Development Authority        |
| IDB     | Industrial Development Board            |
| ISD     | Independent School District             |
| LRB     | Lease Revenue Bonds                     |
| M/F     | Multi-Family                            |
| NPFGC   | National Public Finance Guarantee Corp. |
| RB      | Revenue Bonds                           |
| S/F     | Single-Family                           |
| Syncora | Syncora Guarantee                       |
| VRDN    | Variable Rate Demand Notes              |

This report is intended for current holders. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

MQUAL5-1/19-SAR

Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies  
Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report.

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers

| Period                 | <u>(a) Total<br/>Number of<br/>Shares<br/>Purchased</u> | <u>(b) Average<br/>Price Paid per<br/>Share</u> | <u>(c) Total Number of<br/>Shares Purchased as Part<br/>of Publicly Announced<br/>Plans or Programs</u> | <u>(d) Maximum Number of<br/>Shares that May Yet Be<br/>Purchased Under the Plans<br/>or Programs<sup>1</sup></u> |
|------------------------|---|---|---|---|
| August 1 - 31, 2018    | N/A   | N/A   | N/A   | N/A   |
| September 1 - 30, 2018 | N/A   | N/A   | N/A   | N/A   |
| October 1 - 31, 2018   | N/A   | N/A   | N/A   | N/A   |
| November 1 - 30, 2018  | N/A   | N/A   | N/A   | N/A   |
| December 1 - 31, 2018  | 0   | \$0   | 0   | 2,050,124   |
| January 1 - 31, 2019   | 0   | \$0   | 0   | 2,050,124   |
| <b>Total:</b>          | 0   | \$0   | 0   | 2,050,124   |

<sup>1</sup>The Fund announced an open market share repurchase program on November 15, 2018 pursuant to which the Fund was authorized to repurchase, through November 30, 2019, up to 5% of its common shares based on common shares outstanding on November 30, 2018, in open market transactions, subject to certain conditions.

Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.



Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Disclosure of Securities Lending Activities for Closed-End Management Investment Companies Not Applicable

Item 13 Exhibits attached hereto

(a)(1) Code of Ethics Not Applicable to this semi-annual report

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(a)(4) Not Applicable

(b) Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniHoldings California Quality Fund, Inc.

By: /s/ John M.  
Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings California Quality Fund, Inc.

Date: April 5, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M.  
Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings California Quality Fund, Inc.

Date: April 5, 2019

By: /s/ Neal J.  
Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniHoldings California Quality Fund, Inc.

Date: April 5, 2019