

BLACKROCK MUNIYIELD NEW YORK QUALITY FUND, INC.  
Form N-CSR  
October 03, 2016

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: 811-06500

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield

New York Quality Fund, Inc., 55 East 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: 07/31/2016

Date of reporting period: 07/31/2016

Item 1 Report to Stockholders

JULY 31, 2016

ANNUAL REPORT

**BlackRock MuniHoldings Quality Fund II, Inc. (MUE)**

**BlackRock MuniYield California Quality Fund, Inc. (MCA)**

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

**BlackRock MuniYield Quality Fund III, Inc. (MYI)**

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

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## The Markets in Review

Dear Shareholder,

Uneven economic outlooks and the divergence of monetary policies across regions have been the overarching themes driving financial markets over the past couple of years. In the latter half of 2015, as U.S. growth outpaced other developed markets, investors were focused largely on the timing of the Federal Reserve's (the Fed) decision to end its near-zero interest rate policy. The Fed ultimately hiked rates in December, whereas the European Central Bank and the Bank of Japan took additional steps to stimulate growth, even introducing negative interest rates. The U.S. dollar had strengthened considerably ahead of these developments, causing profit challenges for U.S. companies that generate revenues overseas, and pressuring emerging market currencies and commodities prices.

Also during this time period, oil prices collapsed due to excess global supply. China, one of the world's largest consumers of oil, was another notable source of stress for financial markets as the country showed signs of slowing economic growth and took measures to devalue its currency. Declining confidence in the country's policymakers stoked investors' worries about the potential impact of China's weakness on the global economy. Global market volatility increased and risk assets (such as equities and high yield bonds) suffered in this environment.

The elevated market volatility spilled over into 2016, but as the first quarter wore on, fears of a global recession began to fade, allowing markets to calm and risk assets to rebound. Central bank stimulus in Europe and Japan, combined with a more tempered outlook for rate hikes in the United States, helped bolster financial markets. A softening in U.S. dollar strength brought relief to U.S. exporters and emerging market economies. Oil prices rebounded as the world's largest producers agreed to reduce supply.

Volatility spiked again in late June when the United Kingdom shocked investors with its vote to leave the European Union. Uncertainty around how the British exit might affect the global economy and political landscape drove investors to high-quality assets, pushing already low global yields to even lower levels. But markets recovered swiftly in July as economic data suggested that the negative impact had thus far been contained to the United Kingdom and investors returned to risk assets.

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

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of July 31, 2016

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	13.29%	5.61%
U.S. small cap equities (Russell 2000® Index)	18.76	0.00
International equities (MSCI Europe, Australasia, Far East Index)	8.25	(7.53)
	19.52	(0.75)

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Emerging market equities (MSCI Emerging Markets Index)		
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.17	0.22
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	5.01	8.53
U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)	4.54	5.94
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.27	7.06
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	13.84	5.01

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

For the Reporting Period Ended July 31, 2016

### Municipal Market Conditions

Municipal bonds generated positive performance for the period due to falling interest rates and a favorable supply-and-demand environment. Interest rates were volatile in 2015 (bond prices rise as rates fall) leading up to a long-awaited rate hike from the Fed that ultimately came in December. However, ongoing reassurance from the Fed that rates would be increased gradually and would likely remain low overall resulted in strong demand for fixed income investments. Investors favored the relative yield and stability of municipal bonds amid bouts of volatility resulting from uneven U.S. economic data, volatile oil prices, global growth concerns, geopolitical risks (particularly the U.K.'s decision to leave the European Union), and widening central bank divergence i.e., policy easing outside the United States while the Fed was posturing to commence policy tightening. During the 12 months ended July 31, 2016, municipal bond funds garnered net inflows of approximately \$49 billion (based on data from the Investment Company Institute).

For the same 12-month period, total new issuance remained relatively strong from a historical perspective at \$386 billion (though lower than the \$417 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 59%) as issuers continued to take advantage of low interest rates and a flatter yield curve to reduce their borrowing costs.

S&P Municipal Bond Index	
Total Returns as of July 31, 2016	
6 months:	3.27%
12 months:	7.06%

### A Closer Look at Yields

From July 31, 2015 to July 31, 2016, yields on AAA-rated 30-year municipal bonds decreased by 100 basis points ( bps ) from 3.12% to 2.12%, while 10-year rates fell by 79 bps from 2.19% to 1.40% and 5-year rates decreased 46 bps from 1.30% to 0.84% (as measured by Thomson Municipal Market Data). The municipal yield curve experienced significant flattening over the 12-month period with the spread between 2- and 30-year maturities flattening by 90 bps and the spread between 2- and 10-year maturities flattening by 69 bps.

During the same time period, on a relative basis, tax-exempt municipal bonds broadly outperformed U.S. Treasuries with the greatest outperformance experienced in longer-term issues. In absolute terms, the positive performance of municipal bonds was driven largely by falling interest rates as well as a supply/demand imbalance within the municipal market as investors sought income and incremental yield in an environment where opportunities became increasingly scarce. More broadly, municipal bonds benefited from the greater appeal of tax-exempt investing in light of the higher tax rates implemented in 2014. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

### Financial Conditions of Municipal Issuers

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

The opinions expressed are those of BlackRock as of July 31, 2016, 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.

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The Standard & Poor's Municipal Bond Index, a broad, market value-weighted index, seeks to measure the performance of the US municipal bond market. All bonds in the index are exempt from US federal income taxes or subject to the alternative minimum tax. 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, these objectives cannot be achieved in all interest rate environments.

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

To illustrate these concepts, assume a 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 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 a Fund's 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 Funds 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), a TOB Trust is not considered a senior security and is not subject to the foregoing limitations and requirements under the 1940 Act.



## Derivative Financial Instruments

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 risk, including the imperfect correlation between the value of a derivative financial instru-

ment and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. The Funds' successful use of derivative financial instruments 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 July 31, 2016

BlackRock MuniHoldings Quality Fund II,  
Inc.

## Fund Overview

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

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

## Fund Information

Symbol on New York Stock Exchange ( NYSE )	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of July 31, 2016 (\$14.94) <sup>1</sup>	5.14%
Tax Equivalent Yield <sup>2</sup>	9.08%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0640
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7680
Economic Leverage as of July 31, 2016 <sup>4</sup>	36%

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

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

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

<sup>4</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 12 months ended July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MUE <sup>1,2</sup>	20.55%	10.33%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>3</sup>	21.89%	11.98%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

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<sup>2</sup> The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

The Fund's position in the transportation sector made the largest contribution to returns. The Fund's overall duration exposure also contributed positively given that bond yields declined.

The use of leverage helped augment returns at a time of strong market performance. However, leverage had less of an impact to performance in the second half of the period since the Fed's interest rate increase in December 2015 raised the cost of short-term financing.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance due to the strength in the Treasury market. In addition, the Fund's yield declined during the period as the proceeds from bonds that were called away were reinvested at lower yields.

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

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

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

	<b>7/31/16</b>	<b>7/31/15</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 14.94	\$ 13.13	13.79%	\$ 15.22	\$ 12.79
Net Asset Value	\$ 15.08	\$ 14.48	4.14%	\$ 15.23	\$ 14.29

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

**Overview of the Fund's Total Investments\***

**Sector Allocation**

	<b>7/31/16</b>	<b>7/31/15</b>
Transportation	42%	37%
County/City/Special District/School District	21	25
Utilities	14	14
Health	11	11
State	6	7
Education	3	2
Housing	1	1
Tobacco	1	1
Corporate	1	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.

**Credit Quality Allocation<sup>1</sup>**

	<b>7/31/16</b>	<b>7/31/15</b>
AAA/Aaa	8%	6%
AA/Aa	59	65
A	27	26
BBB/Baa	5	3
N/R	1	<sup>2</sup>

<sup>1</sup> 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.

<sup>2</sup> Represents less than 1% of Fund's total investments.

**Call/Maturity Schedule<sup>3</sup>**

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Calendar Year Ended December 31,

2016	2
2017	1%
2018	21
2019	10
2020	3

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

\* Excludes short-term securities.

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ANNUAL REPORT

JULY 31, 2016

## Fund Summary as of July 31, 2016

BlackRock MuniYield California Quality Fund, Inc.

**Fund Overview**

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

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

**Fund Information**

Symbol on NYSE	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2016 (\$16.75) <sup>1</sup>	4.66%
Tax Equivalent Yield <sup>2</sup>	9.50%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0650
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7800
Economic Leverage as of July 31, 2016 <sup>4</sup>	37%

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

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

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

<sup>4</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 12 months ended July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MCA <sup>1,2</sup>	20.15%	9.84%
Lipper California Municipal Debt Funds <sup>3</sup>	22.31%	11.51%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.



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<sup>2</sup> The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

California municipal bonds outperformed the broader national tax-exempt market as a result of the state's sound financial condition, robust employment growth and rising personal income. California municipals were also boosted by the favorable balance of supply and demand in the market, as the state's high tax burden fueled investors' appetite for tax-exempt investments.

The Fund was helped by its exposure to the long end of the yield curve, where performance was strongest. Leverage helped augment returns in this portion of the portfolio, as well. However, leverage had less of an impact to performance in the second half of the period due to the Fed's interest rate increase in December 2015.

Holdings in AA rated securities, including investments in the school districts, health care and tax-backed (local) sectors, aided performance. Positions in the transportation and utilities sectors were also additive.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance given that the Treasury market finished with positive returns. In addition, the Fund's yield declined during the period as the proceeds from bonds that were called away were reinvested at lower yields.

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

## BlackRock MuniYield California Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$ 16.75	\$ 14.71	13.87%	\$ 16.82	\$ 14.53
Net Asset Value	\$ 16.77	\$ 16.11	4.10%	\$ 16.98	\$ 15.91

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/16	7/31/15
County/City/Special District/School District	41%	39%
Utilities	18	25
Health	14	9
Transportation	13	10
Education	9	12
State	5	5
Corporate		

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.

Credit Quality Allocation<sup>1</sup>

	7/31/16	7/31/15
AAA/Aaa	15%	12%
AA/Aa	75	77
A	8	11
BBB/Baa	1	
N/R	1	

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

Call/Maturity Schedule<sup>2</sup>

Calendar Year Ended December 31,

2016	2%
2017	10
2018	8
2019	15
2020	5

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

\* Excludes short-term securities.

## Fund Summary as of July 31, 2016

BlackRock MuniYield New York Quality Fund, Inc.

**Fund Overview**

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

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

**Fund Information**

Symbol on NYSE	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2016 (\$14.40) <sup>1</sup>	4.50%
Tax Equivalent Yield <sup>2</sup>	9.11%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0540
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.6480
Economic Leverage as of July 31, 2016 <sup>4</sup>	38%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal and state tax rate of 50.59%, 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>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</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 12 months ended July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MYN <sup>1,2</sup>	15.60%	12.19%
Lipper New York Municipal Debt Funds <sup>3</sup>	20.33%	10.69%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

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<sup>2</sup> The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. New York municipal bonds performed well in the period, as the state's healthy economy, robust overall financial position and general lack of pension-funding issues contributed to strong investor demand.

At a time of falling yields, the Fund's positions in longer-duration and longer-dated bonds generally provided the largest absolute returns. (Duration is a measure of interest-rate sensitivity.) The Fund's positions in the transportation, education, health care, and utilities sectors made positive contributions to performance. The Fund's exposure to lower-coupon and zero-coupon bonds, both of which outperformed, also aided returns.

Lower-rated bonds within the investment grade category outperformed during the period. In addition to offering higher incremental yield, the market segment benefited from a tightening of yield spreads that was fueled in part by investors' elevated appetite for risk. In this environment, the Fund's exposure to these higher-yielding bonds contributed to performance.

Leverage amplifies the effect of interest-rate movements, which was a positive to performance during the past 12 months given that yields declined.

The Fund utilized a mix of U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance at a time in which the Treasury market finished with positive returns.

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

## BlackRock MuniYield New York Quality Fund, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$14.40	\$13.13	9.67%	\$14.70	\$12.79
Net Asset Value	\$15.07	\$14.16	6.43%	\$15.28	\$14.00

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/16	7/31/15
County/City/Special District/School District	25%	20%
Transportation	20	21
Education	18	18
Utilities	13	15
State	13	14
Health	6	6
Housing	3	3
Corporate	1	2
Tobacco	1	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.

Credit Quality Allocation<sup>1</sup>

	7/31/16	7/31/15
AAA/Aaa	19%	15%
AA/Aa	59	59
A	16	20
BBB/Baa	4	3
BB/Ba		1
N/R <sup>2</sup>	2	2

<sup>1</sup> 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.

<sup>2</sup> The investment advisor 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 advisor has deemed certain of these unrated securities as investment grade quality. As of July 31, 2016, and July 31, 2015 the market value of unrated securities deemed by the investment advisor to be investment grade represents less than 1% of the Fund's total investments.

Call/Maturity Schedule<sup>3</sup>

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Calendar Year Ended December 31,

2016	4%
2017	8
2018	5
2019	4
2020	4

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

\* Excludes short-term securities.

## Fund Summary as of July 31, 2016

BlackRock MuniYield Quality Fund III, Inc.

## Fund Overview

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

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

## Fund Information

Symbol on NYSE	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of July 31, 2016 (\$15.63) <sup>1</sup>	5.22%
Tax Equivalent Yield <sup>2</sup>	9.22%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0680
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8160
Economic Leverage as of July 31, 2016 <sup>4</sup>	37%

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

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

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

<sup>4</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 12 months ended July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MYI <sup>1,2</sup>	18.07%	11.08%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>3</sup>	21.89%	11.98%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.



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<sup>2</sup> The Fund moved from a discount to NAV to a premium during the period, which accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

The Fund's duration exposure made the largest contribution to absolute performance. (Duration is a measure of interest-rate sensitivity.) The municipal yield curve flattened aggressively in the second half of the reporting period, indicating outperformance for longer-term bonds. In this environment, the Fund's exposure to the long end of the curve benefited performance. Additionally, the Fund's return was helped by its allocation to the health care and transportation sectors. The use of leverage helped augment returns at a time of strong market performance.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance due to the strength in the Treasury market.

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

## BlackRock MuniYield Quality Fund III, Inc.

## Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$ 15.63	\$ 14.04	11.32%	\$ 15.88	\$ 13.71
Net Asset Value	\$ 15.49	\$ 14.79	4.73%	\$ 15.71	\$ 14.53

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

## Overview of the Fund's Total Investments\*

## Sector Allocation

	7/31/16	7/31/15
Transportation	26%	24%
Utilities	17	16
State	16	17
County/City/Special District/School District	15	18
Health	12	11
Education	9	9
Corporate	2	2
Housing	2	2
Tobacco	1	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.

Credit Quality Allocation<sup>1</sup>

	7/31/16	7/31/15
AAA/Aaa	11%	9%
AA/Aa	61	65
A	20	20
BBB/Baa	7	6
N/R	1	

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

Call/Maturity Schedule<sup>2</sup>

Calendar Year Ended December 31,

2016	1%
2017	11
2018	17
2019	9
2020	2

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

\* Excludes short-term securities.

## Schedule of Investments July 31, 2016

## BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Alabama 2.1%</b>		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/19 (a)	\$ 5,225	\$ 5,988,686
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	940	1,055,751
		7,044,437
<b>California 24.3%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	5,050	5,537,830
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	2,865	3,427,629
City & County of San Francisco California Airports Commission, ARB, Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	880	884,074
City & County of San Francisco California Airports Commission, Refunding ARB, AMT, Series A:		
2nd, 5.50%, 5/01/28	1,800	2,204,712
2nd, 5.25%, 5/01/33	1,410	1,671,738
5.00%, 5/01/44	1,860	2,167,365
City of San Jose California, Refunding ARB, Series A-1, AMT, 5.50%, 3/01/30	4,045	4,744,866
City of Sunnyvale California, Refunding RB, 5.25%, 4/01/40	2,800	3,208,604
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41	3,500	3,814,930
County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/18 (a)	3,175	3,489,261
Emery Unified School District, GO, Election of 2010, Series A (AGM), 5.50%, 8/01/35	1,875	2,261,175
Golden Empire Schools Financing Authority, Refunding RB, Kern High School District Projects, 0.96%, 5/01/17 (b)	2,850	2,849,202
Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33	2,445	3,089,942
Los Angeles Community College District California, GO:		
Election of 2001, Series A (NPFGC), 5.00%, 8/01/17 (a)	4,000	4,182,720
Election of 2008, Series C, 5.25%, 8/01/39	2,000	2,336,860
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	1,675	1,816,605
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/21 (a)	2,670	3,279,614
Riverside County Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/40	4,500	5,575,455
State of California Public Works Board, LRB, Various Capital Projects, Series I: 5.50%, 11/01/30	5,000	6,315,000
	<b>Par</b>	
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
State of California Public Works Board, LRB, Various Capital Projects, Series I (continued): 5.50%, 11/01/31	\$ 3,130	\$ 3,945,866
5.50%, 11/01/33	3,000	3,781,980
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	1,260	1,556,566
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	940	1,170,460
University of California, Refunding RB, Regents of the University of California Medical Center Pooled Revenue, Series J, 5.25%, 5/15/38	7,580	9,217,053
		82,529,507
<b>Colorado 2.1%</b>		
City & County of Denver Colorado Airport System, ARB, Series A, AMT:		
5.50%, 11/15/28	1,500	1,818,075
5.50%, 11/15/30	565	681,593
5.50%, 11/15/31	675	812,228
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/19 (a)	3,300	3,783,153

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		7,095,049
<b>Florida 20.1%</b>		
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	405	499,531
County of Broward Florida Airport System, ARB, Series A, AMT, 5.13%, 10/01/38	5,665	6,553,102
County of Broward Florida Airport System Revenue, ARB, Series A, AMT, 5.00%, 10/01/45	1,440	1,695,917
County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29	2,995	3,609,873
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	2,500	2,902,300
County of Lee Florida HFA, RB, S/F Housing, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	430	439,241
County of Miami-Dade Florida, RB, Seaport:		
Series A, 5.38%, 10/01/33	1,765	2,084,165
Series A, 5.50%, 10/01/42	3,000	3,615,900
Series B, AMT, 6.25%, 10/01/38	800	1,018,120
Series B, AMT, 6.00%, 10/01/42	1,060	1,304,521
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29	3,130	3,855,816

Portfolio Abbreviations

<b>AGC</b>	Assured Guarantee Corp.	<b>EDA</b>	Economic Development Authority	<b>IDRB</b>	Industrial Development Revenue Bonds
<b>AGM</b>	Assured Guaranty Municipal Corp.	<b>EDC</b>	Economic Development Corp.	<b>ISD</b>	Independent School District
<b>AMBAC</b>	American Municipal Bond Assurance Corp.	<b>ERB</b>	Education Revenue Bonds	<b>LRB</b>	Lease Revenue Bonds
<b>AMT</b>	Alternative Minimum Tax (subject to)	<b>FHA</b>	Federal Housing Administration	<b>M/F</b>	Multi-Family
<b>ARB</b>	Airport Revenue Bonds	<b>GAB</b>	Grant Anticipation Bonds	<b>NPFGC</b>	National Public Finance Guarantee Corp.
<b>BAM</b>	Build America Mutual Assurance Co.	<b>GARB</b>	General Airport Revenue Bonds	<b>PILOT</b>	Payment in Lieu of Taxes
<b>BARB</b>	Building Aid Revenue Bonds	<b>GO</b>	General Obligation Bonds	<b>PSF</b>	Permanent School Fund
<b>BHAC</b>	Berkshire Hathaway Assurance Corp.	<b>GTD</b>	Guaranteed	<b>RB</b>	Revenue Bonds
<b>BOCES</b>	Board of Cooperative Educational Services	<b>HDA</b>	Housing Development Authority	<b>S/F</b>	Single-Family
<b>CAB</b>	Capital Appreciation Bonds	<b>HFA</b>	Housing Finance Agency	<b>SONYMA</b>	State of New York Mortgage Agency
<b>COP</b>	Certificates of Participation	<b>IDA</b>	Industrial Development Authority	<b>Syncora</b>	Syncora Guarantee
<b>DFA</b>	Development Finance Agency	<b>IDB</b>	Industrial Development Board		

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Florida (continued)</b>		
County of Miami-Dade Florida Aviation, Refunding ARB, AMT, Series A:		
Miami International Airport (AGM), 5.25%, 10/01/41	\$ 4,610	\$ 4,974,144
Miami International Airport (AGM), 5.50%, 10/01/41	4,180	4,557,788
5.00%, 10/01/32	5,000	5,844,600
County of Miami-Dade Florida Aviation Revenue, Refunding ARB, Series A, AMT, 5.00%, 10/01/31	5,155	6,025,782
County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 8/01/19 (a)	7,600	8,683,456
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	1,805	2,192,317
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/21 (a)	6,965	8,465,122
		68,321,695
<b>Hawaii 1.7%</b>		
State of Hawaii, Department of Transportation, COP, AMT:		
5.25%, 8/01/25	740	897,835
5.25%, 8/01/26	1,205	1,460,339
State of Hawaii, Department of Transportation, RB, Series A, AMT, 5.00%, 7/01/45	2,805	3,291,583
		5,649,757
<b>Illinois 17.0%</b>		
City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien, Series A, 5.75%, 1/01/39	2,000	2,344,560
City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A:		
5.00%, 1/01/41	1,140	1,303,716
AMT, 5.50%, 1/01/28	1,000	1,211,280
AMT, 5.50%, 1/01/29	1,500	1,809,885
AMT, 5.38%, 1/01/33	2,000	2,354,100
City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien, Series C, 6.50%, 1/01/41	9,085	11,056,263
City of Chicago Illinois Transit Authority, RB:		
Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 12/01/18 (a)	3,400	3,821,804
Sales Tax Receipts, 5.25%, 12/01/36	2,940	3,276,248
Sales Tax Receipts, 5.25%, 12/01/40	1,500	1,666,080
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	2,985	3,287,918
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.25%, 12/01/30	1,270	1,485,176
5.50%, 12/01/38	1,980	2,308,066
5.25%, 12/01/43	5,500	6,305,585
Illinois Finance Authority, Refunding RB, Presence Health Network, Series C (c):		
4.00%, 2/15/41	2,020	2,025,151
5.00%, 2/15/41	975	1,110,827
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	2,350	2,768,183
6.00%, 6/01/28	670	803,437
State of Illinois, GO:		
5.25%, 2/01/31	1,495	1,663,247
5.25%, 2/01/32	2,320	2,577,868
5.50%, 7/01/33	1,000	1,124,590
5.50%, 7/01/38	700	779,919
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28	2,500	2,768,825
		57,852,728
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Indiana 0.9%</b>		
Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT,		
5.00%, 7/01/40	\$ 460	\$ 521,723
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,370	2,648,830

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		3,170,553
<b>Kentucky 0.7%</b>		
County of Louisville & Jefferson Kentucky Metropolitan Government, Refunding RB, Norton Healthcare, Inc., 4.00%, 10/01/35	2,100	2,313,234
<b>Louisiana 1.5%</b>		
Lake Charles Harbor & Terminal District, RB, Series B, AMT (AGM), 5.50%, 1/01/29	2,225	2,716,725
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29	2,020	2,227,111
		4,943,836
<b>Massachusetts 0.7%</b>		
Massachusetts DFA, Refunding RB, Emmanuel College Issue, Series A, 4.00%, 10/01/46	900	946,872
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	1,235	1,310,570
		2,257,442
<b>Michigan 2.2%</b>		
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	3,420	3,987,070
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)	3,115	3,609,600
		7,596,670
<b>Minnesota 0.7%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC):		
6.50%, 11/15/18 (a)	305	345,696
6.50%, 11/15/38	1,670	1,868,930
		2,214,626
<b>Mississippi 1.3%</b>		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	2,405	3,263,176
Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38	1,000	1,222,440
		4,485,616
<b>Nevada 2.6%</b>		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	3,210	3,608,907
County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38	5,000	5,368,450
		8,977,357
<b>New Jersey 5.2%</b>		
New Jersey EDA, RB, Goethals Bridge Replacement Project, Private Activity Bond, AMT:		
5.38%, 1/01/43	1,940	2,257,112
(AGM), 5.00%, 1/01/31	1,355	1,580,160
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38	3,400	3,825,884
New Jersey Transportation Trust Fund Authority, RB, Transportation System: Series A, 5.50%, 6/15/41	3,030	3,378,511

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey (continued)</b>		
New Jersey Transportation Trust Fund Authority, RB, Transportation System (continued):		
Series A (AGC), 5.63%, 12/15/28	\$ 2,930	\$ 3,264,635
Series AA, 5.50%, 6/15/39	3,040	3,440,399
		17,746,701
<b>New York 7.7%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution, Series EE:		
Fiscal 2009, 5.25%, 6/15/40	6,930	7,794,795
Water & Sewer System, 5.38%, 6/15/43	2,220	2,626,060
Hudson Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	940	1,111,456
Metropolitan Transportation Authority, RB:		
Series A, 5.25%, 11/15/38	8,500	10,190,650
Series A-1, 5.25%, 11/15/39	1,550	1,898,533
Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36	2,000	2,349,720
		25,971,214
<b>Ohio 0.9%</b>		
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/31	2,500	3,052,650
<b>Pennsylvania 3.7%</b>		
County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 8/15/38 (c)		
	1,965	2,332,593
Pennsylvania Turnpike Commission, RB:		
Series A-1, 5.00%, 12/01/46	2,855	3,399,905
Series B, 5.00%, 12/01/45	2,300	2,742,382
Township of Bristol Pennsylvania School District, GO:		
5.25%, 6/01/37	2,500	2,943,375
5.25%, 6/01/43	1,100	1,295,085
		12,713,340
<b>Rhode Island 0.4%</b>		
Rhode Island Health & Educational Building Corp., Refunding RB, Hospital Financing, LifeSpan Obligation Group (c):		
4.00%, 5/15/36	340	362,341
5.00%, 5/15/39	750	880,238
		1,242,579
<b>South Carolina 6.3%</b>		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	3,760	4,633,448
County of Charleston South Carolina Airport District, ARB, Series A, AMT:		
6.00%, 7/01/38	2,940	3,559,076
5.50%, 7/01/41	2,500	2,944,400
South Carolina Ports Authority, RB, AMT, 5.25%, 7/01/50	1,870	2,192,388
South Carolina State Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55	3,500	4,232,235
State of South Carolina Public Service Authority, Refunding RB:		
Series A, 5.50%, 1/01/19 (a)	200	223,428
Series A, 5.50%, 1/01/19 (a)	2,300	2,569,422
Series C, 5.00%, 12/01/46	1,000	1,182,140
		21,536,537
<b>Tennessee 1.0%</b>		
Metropolitan Nashville Airport Authority, ARB, Series B, AMT, 5.00%, 7/01/40	3,000	3,549,000
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>



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<b>Texas 19.1%</b>		
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	\$ 2,345	\$ 2,837,403
City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC):		
6.00%, 5/15/19 (a)	6,345	7,277,778
6.00%, 11/15/35	355	408,222
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC):		
6.50%, 1/01/19 (a)	620	704,605
6.50%, 7/01/37	2,380	2,669,884
Dallas Area Rapid Transit, Refunding RB:		
Senior Lien, 5.25%, 12/01/18 (a)	2,605	2,884,933
Senior Lien, 5.25%, 12/01/38	1,950	2,148,607
Series A, 5.00%, 12/01/48	2,730	3,307,886
Dallas-Fort Worth International Airport, ARB, Joint Improvement, AMT:		
Series A, 5.00%, 11/01/38	1,615	1,812,579
Series H, 5.00%, 11/01/37	1,810	2,059,201
Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33	2,155	2,638,022
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	7,000	8,364,300
North Texas Tollway Authority, Refunding RB, 1st Tier System:		
(NPFGC), 5.75%, 1/01/18 (a)	4,340	4,656,039
(NPFGC), 5.75%, 1/01/40	1,400	1,491,812
Series A, 5.63%, 1/01/18 (a)	4,895	5,242,790
Series A, 5.63%, 1/01/33	6,080	6,468,877
Series K-2 (AGC), 6.00%, 1/01/19 (a)	1,000	1,127,840
Series S, 5.75%, 1/01/18 (a)	855	917,261
Series S, 5.75%, 1/01/18 (a)	5,835	6,259,905
Series SE, 5.75%, 1/01/40	145	154,830
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	1,070	1,295,920
		64,728,694
<b>Virginia 1.1%</b>		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	945	1,103,732
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	2,195	2,496,132
		3,599,864
<b>Washington 1.5%</b>		
City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36	2,400	2,807,424
State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36	1,865	2,195,012
		5,002,436
<b>Total Municipal Bonds 124.8%</b>		423,595,522
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>		
<b>Colorado 3.0%</b>		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-3 (AGM), 5.10%, 4/29/18 (a)	9,410	10,153,484
<b>Connecticut 1.1%</b>		
Connecticut State Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45	3,061	3,695,365

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>		
<b>District of Columbia 0.5%</b>		
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/18 (a)(e)	\$ 1,699	\$ 1,895,345
<b>Florida 4.1%</b>		
County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 6.00%, 7/01/18 (a)	12,500	13,793,125
<b>Illinois 5.7%</b>		
City of Chicago Illinois, ARB, O Hare International Airport, Series A (AGM), 5.00%, 1/01/38	5,000	5,256,150
City of Chicago Illinois, Refunding RB, Waterworks, 2nd Lien (AGM), 5.25%, 11/01/33	3,967	4,249,758
State of Illinois Toll Highway Authority, RB, Senior:		
Priority, Series A, 5.00%, 1/01/40	1,980	2,379,273
Series B, 5.00%, 1/01/40	6,148	7,390,756
		19,275,937
<b>Kentucky 0.7%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	2,304	2,546,812
<b>Nevada 6.0%</b>		
County of Clark Nevada Water Reclamation District, GO:		
Limited Tax, 6.00%, 7/01/18 (a)	10,000	11,036,500
Series B, 5.50%, 7/01/29	8,247	9,331,418
		20,367,918
<b>New Jersey 1.7%</b>		
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	3,859	4,108,709
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (e)	1,500	1,659,590
		5,768,299
<b>New York 7.0%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF, 5.00%, 6/15/45	5,958	6,991,494
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>		
<b>New York (continued)</b>		
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	\$ 2,300	\$ 2,538,095
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	7,515	9,047,274
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (e)	4,400	5,323,580
		23,900,443
<b>Texas 1.5%</b>		
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38	4,296	5,028,055
<b>Utah 0.8%</b>		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	2,504	2,755,556
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 32.1%</b>		109,180,339
<b>Total Long-Term Investments (Cost \$474,409,677) 156.9%</b>		532,775,861
<b>Short-Term Securities</b>		
BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.26% (f)(g)	627,379	627,379

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<b>Total Short-Term Securities</b>		
(Cost \$627,379) 0.2%		627,379
<b>Total Investments (Cost \$475,037,056) 157.1%</b>		<b>533,403,240</b>
<b>Liabilities in Excess of Other Assets (1.5)%</b>		<b>(5,306,711)</b>
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (17.0)%</b>		<b>(57,603,522)</b>
<b>VMTP Shares at Liquidation Value (38.6)%</b>		<b>(131,000,000)</b>
<b>Net Assets Applicable to Common Shares 100.0%</b>		<b>\$ 339,493,007</b>

Notes to Schedule of Investments

- (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) Variable rate security. Rate as of period end.
- (c) When-issued security.
- (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 October 1, 2016 to November 15, 2019 is \$4,822,868. See Note 4 of the Notes to Financial Statements for details.
- (f) During the year ended July 31, 2016, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
BlackRock Liquidity Funds, MuniCash, Institutional Class		627,379	627,379	\$ 627,379	\$ 2,081
FFI Institutional Tax-Exempt Fund	5,506,208	(5,506,208)			390
<b>Total</b>				<b>\$ 627,379</b>	<b>\$ 2,471</b>

- (g) Current yield as of period end.

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

## Derivative Financial Instruments Outstanding as of Period End

## Futures Contracts

Contracts Short	Issue	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
(30)	5-Year U.S. Treasury Note	September 2016	\$ 3,660,469	\$ 3,541
(53)	10-Year U.S. Treasury Note	September 2016	\$ 7,051,484	(14,263)
(18)	Long U.S. Treasury Bond	September 2016	\$ 3,139,875	(33,502)
(3)	Ultra U.S. Treasury Bond	September 2016	\$ 571,594	(16,792)
<b>Total</b>				\$ (61,016)

## 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:

Assets	Derivative Financial Instruments	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Futures contracts	Net unrealized appreciation <sup>1</sup>					\$ 3,541		\$ 3,541
Liabilities	Derivative Financial Instruments							
Futures contracts	Net unrealized depreciation <sup>1</sup>					\$ 64,557		\$ 64,557

<sup>1</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 year ended July 31, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

Net Realized Gain (Loss) from:	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Futures contracts					\$ (1,033,461)		\$ (1,033,461)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (25,060)		\$ (25,060)

## Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:

Average notional value of contracts short \$ 13,603,188

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

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### 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:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments <sup>1</sup>		\$ 532,775,861		\$ 532,775,861
Short-Term Securities	\$ 627,379			627,379
<b>Total</b>	\$ 627,379	\$ 532,775,861		\$ 533,403,240

### Derivative Financial Instruments<sup>2</sup>

<b>Assets:</b>				
Interest rate contracts	\$ 3,541			\$ 3,541
<b>Liabilities:</b>				
Interest rate contracts	(64,557)			(64,557)
<b>Total</b>	\$ (61,016)			\$ (61,016)

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

<sup>2</sup> Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniHoldings Quality Fund II, Inc. (MUE)

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:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash	\$ 6,004			\$ 6,004
Cash pledged for futures contracts	180,800			180,800
<b>Liabilities:</b>				
TOB Trust Certificates		\$ (57,549,366)		(57,549,366)
VMTP Shares at Liquidation Value		(131,000,000)		(131,000,000)
<b>Total</b>	\$ 186,804	\$ (188,549,366)		\$ (188,362,562)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

## Schedule of Investments July 31, 2016

## BlackRock MuniYield California Quality Fund, Inc. (MCA)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>California 89.7%</b>		
<b>Corporate 0.5%</b>		
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	\$ 2,435	\$ 2,760,730
<b>County/City/Special District/School District 36.8%</b>		
Arcadia Unified School District, GO, Election of 2006, Series A, 5.00%, 8/01/37	7,925	8,097,844
Centinela Valley Union High School District, GO, Refunding, Election of 2008, Series B, 6.00%, 8/01/36	2,250	2,904,279
City & County of San Francisco California, COP, Port Facilities Project, Series C, AMT, 5.25%, 3/01/32	1,050	1,250,371
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	2,000	2,262,400
County of Los Angeles California Public Works Financing Authority, Refunding RB, Series D: 4.00%, 12/01/40	1,000	1,108,390
5.00%, 12/01/45	4,765	5,813,681
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/19 (a)	2,500	2,773,700
County of Orange California Water District, COP, Refunding, 5.25%, 8/15/34	9,045	10,289,592
County of Riverside California Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/45	10,000	12,361,800
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	2,755	3,360,714
Fremont Union High School District, GO, Refunding, 4.00%, 8/01/40	1,150	1,285,067
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/37	2,725	3,325,127
Gavilan Joint Community College District, GO, Election of 2004, Series D: 5.50%, 8/01/31	2,165	2,576,112
5.75%, 8/01/35	8,400	10,073,448
Grossmont California Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/21 (a)	2,500	3,143,250
Grossmont Union High School District, GO, Election of 2008, Series C, 5.50%, 8/01/33	1,880	2,248,010
Imperial Irrigation District, Series A, Electric System Revenue (a): 5.13%, 11/01/18	4,085	4,500,730
5.13%, 11/01/18	915	1,008,120
Kern Community College District, GO, Safety Repair & Improvements, Series C, 5.25%, 11/01/32	5,715	7,129,577
Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 4/01/19 (a)	2,075	2,344,418
Merced Union High School District, GO, CAB, Refunding (AGM) (b): 0.00%, 8/01/40	3,125	1,127,469
0.00%, 8/01/42	3,375	1,092,251
Mount San Antonio Community College District, GO, Refunding, Election of 2008, Series 2013 A, 5.00%, 8/01/34	4,500	5,450,400
Ohlone Community College District, GO, Election of 2010, Series A, 5.25%, 8/01/21 (a)	8,140	9,898,973
Orchard School District, GO, Election of 2001, Series A (AGC), 5.00%, 8/01/19 (a)	7,490	8,472,913
Oxnard Union High School District California, GO, Refunding, Series A (NPFGC), 6.20%, 8/01/30	9,645	9,937,436
Perris Union High School District, GO, Election of 2012, Series B, 5.25%, 9/01/39	2,715	3,350,907
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
<b>County/City/Special District/School District (continued)</b>		
Pittsburg Unified School District, GO, Election of 2006, Series B (AGM): 5.50%, 8/01/34	\$ 2,000	\$ 2,194,980
5.63%, 8/01/18 (a)	4,500	4,956,615
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,441,150
San Diego Unified School District, GO, CAB, Series C (b): Election of 2008, 0.00%, 7/01/42	2,900	1,250,944
Election of 2008, 0.00%, 7/01/43	1,000	416,490
Election of 2008, 0.00%, 7/01/45	1,300	504,452
0.00%, 7/01/47	830	299,290
San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A:		

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5.75%, 5/01/36	2,570	2,581,411
5.75%, 5/01/42	4,500	5,371,515
San Jose California Financing Authority, Refunding LRB, Civic Center Project, Series A:		
5.00%, 6/01/32	3,375	4,076,595
5.00%, 6/01/39	5,800	6,902,754
San Juan Unified School District, GO, Election of 2002 (AGM), 5.00%, 8/01/34	6,475	7,430,580
San Leandro California Unified School District, GO, Election of 2010, Series A, 5.75%, 8/01/41	3,000	3,608,880
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC),		
5.75%, 9/01/19 (a)	5,600	6,476,232
Sweetwater Union High School District, GO, Refunding, 4.00%, 8/01/42	2,500	2,784,175
Walnut Valley Unified School District, GO, Election of 2007, Series B, 5.75%, 8/01/21 (a)	7,680	9,527,424
West Contra Costa California Unified School District, GO:		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	6,140	7,323,731
Election of 2010, Series B, 5.50%, 8/01/39	3,000	3,716,370
Election of 2012, Series A, 5.50%, 8/01/39	2,500	3,096,975
Westminster Redevelopment Agency Successor Agency, Refunding RB, Westminster Commercial Redevelopment Project No.1 Subordinate Tax Allocation Bonds, (BAM) (c):		
4.00%, 11/01/34	2,960	3,324,850
4.00%, 11/01/35	3,220	3,601,538
		212,073,930
<b>Education 1.5%</b>		
California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,318,810
California Statewide Communities Development Authority, Refunding RB, CHF Irvine LLC, 5.00%, 5/15/40	750	907,620
University of California, RB, 5.25%, 5/15/36	3,680	4,578,141
		8,804,571
<b>Health 11.3%</b>		
California Health Facilities Financing Authority, RB:		
Children s Hospital, Series A, 5.25%, 11/01/41	10,000	11,689,600
Providence Health Services, Series B, 5.50%, 10/01/39	4,205	4,802,825
Sutter Health, Series A, 5.25%, 11/15/46	6,970	7,069,950
Sutter Health, Series B, 6.00%, 8/15/42	7,715	9,230,072
California Health Facilities Financing Authority, Refunding RB:		
Catholic Healthcare West, Series A, 6.00%, 7/01/39	5,500	6,298,545

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock MuniYield California Quality Fund, Inc. (MCA)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
<b>Health (continued)</b>		
Dignity Health, Series A, 6.00%, 7/01/34	\$ 2,370	\$ 2,719,290
Lucile Salter Packard Children's Hospital at Stanford, Series B, 5.00%, 8/15/55	4,500	5,462,100
California Statewide Communities Development Authority, RB, Sutter Health, Series A, 6.00%, 8/15/42	5,130	6,164,516
California Statewide Communities Development Authority, Refunding RB:		
Catholic Healthcare West, Series D (BHAC), 5.50%, 7/01/31	865	904,210
John Muir Health, Series A, 4.00%, 8/15/46	1,365	1,492,518
John Muir Health, Series A, 4.00%, 8/15/51	3,375	3,661,774
Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	2,860	3,322,233
Washington Township Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/38	1,625	2,026,099
		64,843,732
<b>State 7.2%</b>		
State of California, GO, Various Purposes:		
6.00%, 3/01/33	5,500	6,490,495
6.00%, 4/01/38	17,180	19,506,516
6.00%, 11/01/39	3,510	4,081,112
State of California Public Works Board, LRB:		
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,226,959
Various Capital Projects, Series I, 5.50%, 11/01/33	2,575	3,246,200
Various Capital Projects, Sub-Series I-1, 6.13%, 11/01/29	3,365	3,945,765
		41,497,047
<b>Transportation 17.1%</b>		
Alameda Corridor Transportation Authority, Refunding RB, 2nd Subordinate Lien, Series B:		
5.00%, 10/01/36	2,035	2,473,074
5.00%, 10/01/37	1,395	1,693,907
City & County of San Francisco California Airports Commission, ARB:		
Series E, 6.00%, 5/01/39	9,650	11,034,775
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	705	708,264
Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.13%, 1/01/27	985	989,472
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/18 (a)	3,500	3,807,825
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,442,500
2nd Series A, 5.25%, 5/01/33	1,900	2,252,697
Series A, 5.00%, 5/01/39	6,175	7,233,271
Series A, 5.00%, 5/01/40	3,785	4,427,844
City of Los Angeles California Department of Airports, ARB:		
AMT, Series D, 5.00%, 5/15/35	2,000	2,401,220
AMT, Series D, 5.00%, 5/15/36	1,500	1,795,665
Los Angeles International Airport, Sub-Series B, 5.00%, 5/15/40	2,500	2,845,250
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Senior Series A, 5.25%, 5/15/29	4,760	5,356,000
City of San Jose California, Refunding ARB, Series A-1, AMT, 6.25%, 3/01/34	1,400	1,688,526
County of Orange California, ARB, Series B, 5.75%, 7/01/34	5,000	5,240,950
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
<b>Transportation (continued)</b>		
County of Sacramento California, ARB:		
Senior Series B, AMT (AGM), 5.25%, 7/01/33	\$ 7,000	\$ 7,575,470
Senior Series B, AMT (AGM), 5.25%, 7/01/39	3,300	3,542,385
County of Sacramento California, ARB (continued):		
Subordinated & Passenger Facility Charges/Grant, Series C (AGC), 5.75%, 7/01/39	5,555	6,081,281
County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40	4,500	5,517,810
	6,350	7,220,775

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County of San Diego California Regional Airport Authority, Refunding ARB, Series B, 5.00%, 7/01/40		
Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/39	2,760	3,121,174
Port of Los Angeles California Harbor Department, RB, Series B, 5.25%, 8/01/34	5,530	6,253,656
		98,703,791
<b>Utilities 15.3%</b>		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36	5,000	5,910,700
City of Los Angeles California Department of Water & Power, Refunding RB, Series A, 5.25%, 7/01/39	8,000	9,357,440
City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A, 5.00%, 6/01/28	2,000	2,305,160
City of San Francisco California Public Utilities Commission Water Revenue, RB, Sub-Series A, 5.00%, 11/01/37	10,000	11,793,600
City of San Francisco California Public Utilities Commission Water Revenue, Refunding RB, Series A:		