

BLACKROCK MUNIYIELD QUALITY FUND III, INC
Form N-Q
June 25, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-06540

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2012

Date of reporting period: 04/30/2012

Item 1 – Schedule of Investments

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Schedule of Investments April 30, 2012 (Unaudited)

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

	Par (000)	Value
Municipal Bonds		
Alabama 0.4%		
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	\$ 3,605	\$ 4,106,960
Alaska 1.7%		
Alaska Housing Finance Corp., RB, General Housing, Series B (NPFGC), 5.25%, 12/01/30	2,000	2,074,780
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	2,690	3,021,973
Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28	10,150	12,126,509
		17,223,262
Arizona 0.6%		
Maricopa County & Phoenix Industrial Development Authorities, Refunding RB, S/F, Series A-2, AMT (Ginnie Mae), 5.80%, 7/01/40	1,320	1,361,118
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27	3,725	4,155,498
		5,516,616
California 13.1%		
Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.40%, 10/01/24 (a)	10,000	9,961,300
California Health Facilities Financing Authority, Refunding RB: Saint Joseph Health System, Series A, 5.75%, 7/01/39	1,550	1,754,662
Sutter Health, Series B, 5.88%, 8/15/31	3,200	3,803,520
California HFA, RB, Home Mortgage, Series K, AMT, 5.50%, 2/01/42	3,925	4,068,576
California State Public Works Board Lease, Various Capital Projects, Series A, 5.00%, 4/01/37	360	377,492
California State University, RB, Systemwide, Series A: 5.50%, 11/01/39	1,525	1,704,950
(NPFGC), 5.00%, 11/01/32	9,865	10,194,590
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37	3,545	3,863,341
California Statewide Communities Development Authority, RB: Kaiser Permanente, Series A, 5.00%, 4/01/42	4,030	4,299,325
Saint Joseph Health System, Series E (AGM), 5.25%, 7/01/47	5,000	5,263,850
Sutter Health, Series D (AGM), 5.05%, 8/15/38	300	317,865

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Municipal Bonds	Par (000)	Value
California (continued)		
City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30	\$ 1,900	\$ 2,086,618
City of San Jose California, ARB, Series A-1, AMT, 5.75%, 3/01/34	2,300	2,550,010
City of San Jose California, Refunding RB, Series A, AMT (AMBAC), 5.50%, 3/01/32	11,965	12,622,596
Coast Community College District, GO, Election of 2002, Series C (AGM), 6.05%, 8/01/33 (b)	8,100	2,562,030
County of Sacramento California, RB, Senior Series A (AGM), 5.00%, 7/01/41	14,500	15,341,870
Dublin Unified School District California, GO, CAB, Election of 2004, Series D, 6.95%, 8/01/34 (b)	5,000	1,308,550
Fairfield-Suisun Unified School District California, GO, Election of 2002 (NPFGC), 5.50%, 8/01/28	5,800	6,276,064
Grossmont Union High School District, GO, CAB, Election of 2004, 5.41%, 8/01/31 (b)	5,110	1,905,468
Long Beach Unified School District, GO, Election of 2008, Series B, 6.54%, 8/01/34	5,000	1,575,750
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32	1,200	1,347,552
Norwalk-La Mirada Unified School District California, GO, Refunding, CAB, Election of 2002, Series E (AGC), 6.47%, 8/01/38 (b)	7,620	1,801,292
Oceanside Unified School District California, GO, Series A (AGC), 5.25%, 8/01/33	2,500	2,753,975
Port of Oakland, Refunding RB, Series M (NPFGC), 5.38%, 11/01/27	8,030	8,138,164
Poway Unified School District, GO, CAB, School Facilities Improvement, District, Election of 2008, Series B, 6.27%, 8/01/36 (b)	10,000	2,818,700
Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C, 6.18%, 8/01/38 (b)	12,940	3,284,043
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,165	2,403,799
San Diego Unified School District California, GO, Refunding, CAB, Series R-1, 5.08%, 7/01/31 (b)	3,485	1,336,184
San Joaquin County Transportation Authority, RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	1,830	2,195,067

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
California (concluded)		
San Marcos Unified School District, GO, Election of 2010, Series A:		
5.00%, 8/01/34	\$ 1,800	\$ 1,977,390
5.00%, 8/01/38	1,600	1,735,520
State of California, GO:		
5.50%, 3/01/40	1,020	1,132,129
5.00%, 10/01/41	2,555	2,720,768
Series 2007-2 (NPFGC), 5.50%, 4/01/30	10	10,617
Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 6.14%, 8/01/36 (b)	6,545	1,854,068
West Valley-Mission Community College District, GO, Election of 2004, Series A (AGM), 5.00%, 8/01/30	3,600	3,989,376
		131,337,071
Connecticut 0.3%		
Connecticut Housing Finance Authority, RB, Sub-Series E-2, 5.00%, 11/15/31	3,235	3,423,601
Florida 14.5%		
Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33	14,800	15,893,720
Broward County Water & Sewer Utility, RB, Series A, 5.25%, 10/01/34	2,250	2,551,995
City of Jacksonville, Refunding RB, Transportation, Series A, 5.00%, 10/01/30	770	854,469
Collier County School Board, COP (AGM), 5.00%, 2/15/23	5,000	5,640,400
County of Lee Florida, Refunding RB, Series A, AMT:		
5.63%, 10/01/26	2,600	2,888,782
5.38%, 10/01/32	3,440	3,682,451
County of Miami-Dade Florida, GO, Building Better Communities Program:		
Series B, 6.38%, 7/01/28	6,000	7,144,380
Series B-1, 5.75%, 7/01/33	3,700	4,213,153
County of Miami-Dade Florida, RB:		
Miami International Airport, AMT (NPFGC), 5.38%, 10/01/25	7,500	7,567,425
Miami International Airport, AMT (NPFGC), 5.38%, 10/01/27	1,000	1,007,460
Miami International Airport, Series A, AMT (AGM), 5.50%, 10/01/41	19,020	20,080,365
Water & Sewer System (AGM), 5.00%, 10/01/39	11,700	12,668,175
County of Miami-Dade Florida, Refunding RB:		
Miami International Airport (AGC), 5.00%, 10/01/40	11,000	11,245,630
Series C (BHAC), 6.00%, 10/01/23	20,095	24,846,262

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Transit System Sales Surtax (AGM), 5.00%, 7/01/35	2,800	2,984,688
	Par (000)	Value
Municipal Bonds		
Florida (concluded)		
Highlands County Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37	\$ 1,750	\$ 2,010,260
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34	12,000	13,265,880
Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	5,135	5,514,579
The School Board of Miami-Dade County Florida, RB, COP, Series B (AGC), 5.25%, 5/01/31	1,010	1,098,113
		145,158,187
Georgia 1.8%		
Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43	6,450	6,927,106
City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33	10,000	10,690,800
		17,617,906
Illinois 17.8%		
Chicago Board of Education Illinois, GO, Series A, 5.50%, 12/01/39	6,470	7,313,235
Chicago Park District, GO, Harbor Facilities, Series C: 5.25%, 1/01/37	4,000	4,396,880
5.25%, 1/01/40	1,505	1,650,835
Chicago Transit Authority, RB, 5.25%, 12/01/36	1,620	1,804,437
City of Chicago Illinois, ARB, General, Third Lien, Series B-2, AMT (NPFGC): 5.25%, 1/01/27	10,000	10,290,700
6.00%, 1/01/27	26,230	27,970,098
City of Chicago Illinois, GO, CAB, City Colleges (NPFGC) (b): 5.58%, 1/01/29	4,000	1,790,680
5.71%, 1/01/33	7,950	2,745,851
City of Chicago Illinois, RB, Series A: O Hare International Airport, General Third Lien, 5.75%, 1/01/39	9,000	10,306,890
Second Lien (AMBAC), 5.00%, 11/01/36	3,500	3,661,980
City of Chicago Illinois, Refunding RB, ARB, O Hare International Airport, General, Third Lien, Series C-2, AMT (AGM), 5.25%, 1/01/30	16,400	16,639,440
Illinois Finance Authority, RB, Series A, 5.75%, 8/15/34	8,700	9,401,046
Illinois Finance Authority, Refunding RB, Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	5,250	6,051,412
Illinois Municipal Electric Agency, RB, Series A (NPFGC): 5.00%, 2/01/35	17,935	19,102,568
5.25%, 2/01/35	15,000	16,139,400

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Illinois (concluded)		
Illinois State Toll Highway Authority, RB, Series B:		
5.50%, 1/01/33	\$ 4,000	\$ 4,364,960
(BHAC), 5.50%, 1/01/33	2,000	2,193,200
Kane, Kendall, Etc. Counties Community College District No. 516 Illinois, GO, CAB, Series E (NPFGC), 5.21%, 12/15/25 (b)	5,000	2,548,500
Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Expansion Project, Series A (NPFGC) (b):		
5.16%, 12/15/26	9,600	4,986,048
5.76%, 6/15/32	14,000	5,151,440
5.97%, 12/15/34	41,880	13,196,388
Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM), 6.25%, 6/15/44 (b)	9,430	1,676,183
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	1,700	1,929,092
Regional Transportation Authority, RB, Series C (NPFGC), 7.75%, 6/01/20	1,000	1,250,670
State of Illinois, GO:		
5.00%, 3/01/36	970	1,019,965
5.00%, 3/01/37	390	409,133
		177,991,031
Indiana 2.9%		
City of Indianapolis Indiana, Refunding RB, Second Lien, Series B (AGC), 5.25%, 8/15/27	5,000	5,506,050
Indiana Finance Authority, RB, Wastewater Utility, 5.25%, 10/01/38	2,900	3,232,688
Indiana Municipal Power Agency, RB: Series A (NPFGC), 5.00%, 1/01/37	3,850	4,084,696
Series B, 5.75%, 1/01/34	1,050	1,116,266
Series B, 6.00%, 1/01/39	5,000	5,727,900
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A:		
5.75%, 1/01/38	2,900	3,252,002
(AGC), 5.25%, 1/01/29	1,350	1,502,104
(AGC), 5.50%, 1/01/38	4,250	4,732,757
		29,154,463
Iowa 3.3%		
Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37	12,650	13,871,104
Iowa Student Loan Liquidity Corp., RB, Senior Series A-2, AMT:		
5.60%, 12/01/26	4,530	4,991,834
5.70%, 12/01/27	4,530	4,992,921
5.75%, 12/01/28	2,400	2,636,544

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5.80%, 12/01/29	3,060	3,363,032
5.85%, 12/01/30	3,170	3,476,824
		33,332,259

	Par (000)	Value
Municipal Bonds		
Kentucky 1.0%		
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/28	\$ 4,000	\$ 4,535,800
Louisville & Jefferson County Metropolitan Sewer District Kentucky, RB, Series A (NPFGC), 5.25%, 5/15/37	5,000	5,399,400
		9,935,200
Louisiana 0.8%		
Jefferson Parish Hospital Service District No. 1, Refunding RB, Jefferson Medical Center, Series A (AGM), 6.00%, 1/01/39	1,320	1,490,056
New Orleans Aviation Board Louisiana, RB, New Orleans Aviation, Series A, AMT (AGM), 5.25%, 1/01/32	6,505	6,896,536
		8,386,592
Massachusetts 3.8%		
Massachusetts HFA, RB: S/F Housing, Series 128 AMT (AGM), 4.88%, 12/01/38 (c)	7,955	8,096,838
Series B, 7.00%, 12/01/38	3,150	3,563,753
Massachusetts HFA, Refunding RB: Housing Development, Series B (NPFGC), 5.40%, 12/01/28	1,835	1,836,358
Rental Housing, Series A, AMT (AGM), 5.15%, 7/01/26	12,640	12,813,926
Series C, AMT, 5.35%, 12/01/42	3,100	3,269,725
Massachusetts Port Authority, Refunding RB, BOSFUEL Project, AMT (NPFGC), 5.00%, 7/01/38	8,275	8,364,535
		37,945,135
Michigan 8.4%		
City of Detroit Michigan, RB, Series B (AGM): Second Lien, 6.25%, 7/01/36	1,075	1,233,057
Second Lien, 7.00%, 7/01/36	500	597,820
Senior Lien, 7.50%, 7/01/33	1,000	1,253,060
City of Detroit Michigan, Refunding RB: Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27	1,500	1,818,585
Senior Lien, Series D (AGM), 5.00%, 7/01/23	5,000	5,316,300
Series D (NPFGC), 5.00%, 7/01/33	5,000	5,010,850
Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36	410	443,181
Lansing Board of Water & Light Utilities System, RB, Series A, 5.50%, 7/01/41	3,185	3,680,809
Michigan State Building Authority, Refunding RB, Facilities Program: Series I, 6.25%, 10/15/38	3,125	3,599,344

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Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Michigan (concluded)		
Michigan State Building Authority, Refunding RB, Facilities Program (concluded):		
Series I, (AGC), 5.25%, 10/15/24	\$ 1,750	\$ 2,021,863
Series I, (AGC), 5.25%, 10/15/25	3,250	3,727,457
Series I-A, 5.38%, 10/15/36	2,075	2,334,354
Series II-A, 5.38%, 10/15/41	1,900	2,126,252
Series II-A, (AGM), 5.25%, 10/15/36	8,040	8,992,740
Michigan State Finance Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/39	11,600	12,477,424
Michigan State HDA, RB, Series C, 5.50%, 12/01/28	2,900	3,060,428
Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series A (Syncora), 5.50%, 6/01/30	2,500	2,532,775
State of Michigan, RB, GAB (AGM):		
5.25%, 9/15/22	10,000	11,351,100
5.25%, 9/15/26	6,650	7,338,408
Wayne County Airport Authority, Refunding RB, AMT (AGC), 5.38%, 12/01/32	5,000	5,223,600
		84,139,407
Minnesota 0.6%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	5,500	6,471,245
Mississippi 0.2%		
Medical Center Educational Building Corporation, RB, University of Mississippi Medical Center Facilities and Expansion and Renovation Project, Series A, 5.00%, 6/01/41	2,000	2,187,180
Nebraska 0.2%		
Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.25%, 9/01/37	2,050	2,131,180
Nevada 2.9%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	2,250	2,606,422
County of Clark Nevada, RB: Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39	5,170	5,621,393
Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/30	19,250	20,418,860
		28,646,675
New Jersey 4.8%		

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New Jersey EDA, RB, Cigarette Tax, 5.75%, 6/15/34	4,000	4,448,200
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	Par (000)	Value
Municipal Bonds		
New Jersey (concluded)		
New Jersey EDA, Refunding RB, School Facilities Construction, Series N-1: (AMBAC), 5.50%, 9/01/24	\$ 6,500	\$ 8,103,940
(NPFGC), 5.50%, 9/01/28	1,685	2,084,817
New Jersey Higher Education Student Assistance Authority, RB, Series 1, AMT:		
5.50%, 12/01/25	1,250	1,402,588
5.50%, 12/01/26	1,800	1,996,974
5.75%, 12/01/28	200	222,412
5.88%, 12/01/33	6,895	7,581,190
New Jersey Transportation Trust Fund Authority, RB, Transportation System: CAB, Series A, 5.93%, 12/15/35 (b)	18,525	5,464,504
CAB, Series C (AGC), 5.73%, 12/15/25 (b)	10,000	5,579,200
Series A (NPFGC), 5.75%, 6/15/25	4,250	5,389,213
Series B, 5.25%, 6/15/36	4,970	5,553,577
		47,826,615
New York 2.9%		
City of New York, New York, GO, Series J: 5.25%, 5/15/24	6,500	7,150,195
5.25%, 5/15/24	3,500	3,793,160
Hudson New York Yards Infrastructure Corp., RB, 5.75%, 2/15/47	1,920	2,166,854
New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/34	7,250	8,267,973
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	3,250	3,601,000
Port Authority of New York & New Jersey, RB, Consolidated 172nd Series, AMT, 4.50%, 4/01/37	4,270	4,303,904
		29,283,086
North Carolina 0.4%		
North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43	4,075	4,195,661
Ohio 0.7%		
County of Allen Ohio, Refunding RB, Catholic HealthCare Partners, Series A, 5.00%, 5/01/42 (d)	2,030	2,159,818
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37	3,000	3,656,580
Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40	1,250	1,336,388
		7,152,786

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Pennsylvania 2.7%		
Pennsylvania Turnpike Commission, RB:		
Series A (AMBAC), 5.50%, 12/01/31	\$ 15,600	\$ 17,056,416
Sub-Series C (AGC), 6.25%, 6/01/38	5,695	6,763,268
Subordinate, Special Motor License Fund, 6.00%, 12/01/36	2,575	3,103,905
		26,923,589
Puerto Rico 3.8%		
Puerto Rico Electric Power Authority, Refunding RB, Series A, 5.00%, 7/01/42 (d)		
	3,860	3,853,747
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M-3 (NPFGC), 6.00%, 7/01/27		
	3,720	4,120,830
Puerto Rico Sales Tax Financing Corp., RB:		
CAB, Series C, 5.95%, 8/01/38 (b)	9,400	2,210,692
CAB, Series C, 6.12%, 8/01/39 (b)	24,000	5,313,360
First Sub-Series A, 5.75%, 8/01/37	2,000	2,211,700
First Sub-Series A, 6.38%, 8/01/39	10,195	11,858,824
First Sub-Series A, 5.50%, 8/01/42	5,155	5,562,348
Puerto Rico Sales Tax Financing Corp., Refunding RB:		
CAB, Series A (NPFGC), 5.68%, 8/01/41 (b)	7,500	1,440,675
First Sub-Series C, 6.00%, 8/01/39	1,180	1,348,870
		37,921,046
South Carolina 0.4%		
South Carolina Jobs-EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39		
	3,600	4,223,088
Tennessee 0.2%		
Memphis Center City Revenue Finance Corp., RB, Pyramid and Pinch Distribution, Series B (AGM), 5.25%, 11/01/30		
	1,785	2,040,326
Texas 12.3%		
City of Houston Texas, RB, Combined, First Lien, Series A (AGM), 5.00%, 11/15/36		
	10,000	10,942,400
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC):		

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6.00%, 11/15/35	5,700	6,826,092
5.38%, 11/15/38	3,650	4,139,538
Dallas ISD, GO, School Building (PSF-GTD), 6.38%, 2/15/34	10,000	12,467,800

	Par (000)	Value
Municipal Bonds		
Texas (concluded)		
Dallas-Fort Worth International Airport Facilities Improvement Corp., Refunding RB, Joint Series A, AMT (NPFGC), 5.63%, 11/01/26	\$ 5,670	\$ 5,687,974
Grand Prairie ISD Texas, GO, Refunding, CAB, 6.59%, 8/15/28 (b)	10,000	4,139,600
Harris County Hospital District, RB, Senior Lien, Series A (NPFGC), 5.25%, 2/15/37	5,400	5,629,176
Judson ISD Texas, GO, School Building (AGC), 5.00%, 2/01/37	10,000	10,503,400
North Texas Tollway Authority, Refunding RB, Series B (NPFGC), 5.75%, 1/01/40	10,000	10,858,100
North Texas Tollway Authority, Refunding RB, First Tier, System, Series A:		
6.00%, 1/01/28	6,275	7,216,689
(NPFGC), 5.13%, 1/01/28	20,000	21,700,000
Texas Department of Housing & Community Affairs, MRB, Series A, AMT (NPFGC), 5.45%, 9/01/23	3,870	3,874,837
Texas State Turnpike Authority, RB (AMBAC):		
CAB, 6.03%, 8/15/31 (b)	20,265	6,442,649
First Tier, Series A, 5.50%, 8/15/39	5,500	5,523,540
First Tier, Series A, 5.00%, 8/15/42	6,900	6,902,760
		122,854,555
Utah 1.5%		
Utah Transit Authority, Refunding RB, CAB, Sub-Series A (b):		
(AGC), 5.46%, 6/15/20	10,000	7,400,600
(NPFGC), 5.23%, 6/15/24	13,930	8,058,784
		15,459,384
Vermont 0.2%		
Vermont HFA, HRB, Series 12B, AMT (AGM), 6.30%, 11/01/19	215	219,266
Vermont HFA, Refunding RB, Multiple Purpose, Series C, AMT (AGM), 5.50%, 11/01/38 (c)	1,880	1,970,240
		2,189,506
Washington 1.1%		
Washington Health Care Facilities Authority, RB, Series A:		
5.00%, 10/01/39	1,125	1,214,145
5.25%, 10/01/39	2,725	3,006,683
Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36	5,400	6,358,500
		10,579,328

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Wisconsin 1.1%		
Wisconsin Health & Educational Facilities Authority, RB:		
Ascension Health Senior Credit Group, 5.00%, 11/15/33	\$ 3,745	\$ 4,078,193
Froedtert & Community Health, Inc., 5.25%, 4/01/39	3,500	3,803,905
SynergyHealth Inc., 6.00%, 11/15/32	3,395	3,488,668
		11,370,766
Total Municipal Bonds 106.4%		1,066,723,706

Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (e)

Arizona 1.5%		
Arizona School Facilities Board, COP (AGC), 5.13%, 9/01/21		
	10,000	11,359,600
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	3,500	3,795,785