

BLACKROCK MUNIYIELD QUALITY FUND III, INC.  
Form N-Q  
June 25, 2014

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 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: 07/31/2014

Date of reporting period: 04/30/2014

Item 1 Schedule of Investments

## Schedule of Investments April 30, 2014 (Unaudited)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Alabama 0.6%</b>		
City of Birmingham Alabama, GO, CAB, Series A, 5.00%, 3/01/43 (a)	\$ 1,940	\$ 1,757,271
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	3,605	4,163,847
		5,921,118
<b>Alaska 1.7%</b>		
Alaska Housing Finance Corp., RB, General Housing, Series B (NPFGC), 5.25%, 12/01/30	2,000	2,115,000
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	2,690	2,963,062
Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28	10,150	12,209,942
		17,288,004
<b>Arizona 0.4%</b>		
City of Phoenix & County of Maricopa Arizona IDA, Refunding RB, S/F Housing, Series A-2, AMT (Fannie Mae), 5.80%, 7/01/40	260	264,610
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27	3,075	3,373,183
		3,637,793
<b>California 13.6%</b>		
Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.40%, 10/01/24 (a)	10,000	10,788,500
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 7/01/39	1,550	1,784,298
Sutter Health, Series B, 5.88%, 8/15/31	3,200	3,797,184
California Health Facilities Financing Authority, Refunding RB, Saint Joseph s Health System, Series A, 5.00%, 7/01/37	2,965	3,202,378
California HFA, RB, S/F Housing, Home Mortgage, Series K, AMT, 5.50%, 2/01/42	1,740	1,776,418
	<b>Par</b>	
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
California State Public Works Board, LRB:		
Various Capital Projects, Series I, 5.00%, 11/01/38	\$ 5,040	\$ 5,402,225
Various Judicial Council Projects, Series A, 5.00%, 3/01/38	1,940	2,071,183
California State University, RB, Systemwide, Series A, 5.50%, 11/01/39	1,525	1,754,665
California Statewide Communities Development Authority, RB:		
Kaiser Permanente, Series A, 5.00%, 4/01/42	4,030	4,284,253
St. Joseph Health System, Series E (AGM), 5.25%, 7/01/47	4,000	4,143,400
City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30	1,900	2,104,649
City of San Jose California, Refunding ARB, AMT:		
Series A (AMBAC), 5.50%, 3/01/32	11,965	13,174,183
Series A-1, 5.75%, 3/01/34	2,300	2,557,646
Coast Community College District, GO, Election of 2002, Series C (AGM), 0.00%, 8/01/33 (b)	8,100	2,900,043
County of Sacramento California, ARB, Senior Series A, 5.00%, 7/01/41	10,000	10,536,200
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	1,830	2,211,903
Dublin Unified School District California, GO, CAB, Election of 2004, Series D, 0.00%, 8/01/34 (b)	5,000	1,583,850
Fairfield-Suisun Unified School District California, GO, Election of 2002 (NPFGC), 5.50%, 8/01/14 (c)	5,800	5,878,358
Grossmont Union High School District, GO, CAB, Election of 2004, 0.00%, 8/01/31 (b)	5,110	2,284,936
Long Beach Unified School District, GO, Election of 2008, Series B, 0.00%, 8/01/34 (b)	5,000	1,917,000
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32	1,200	1,330,068



## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>California (continued)</b>		
Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 6.25%, 8/01/43 (a)	\$ 3,975	\$ 2,162,281
Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (b)	7,620	2,246,528
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	2,500	2,672,375
Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement, Election of 2008, Series B (b):		
0.00%, 8/01/35	7,820	2,835,923
0.00%, 8/01/36	10,000	3,427,600
Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C (b):		
0.00%, 8/01/37	8,000	2,576,960
0.00%, 8/01/38	12,940	3,970,768
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,165	2,330,298
San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 7/01/31 (b)	3,485	1,615,053
San Diego California Unified School District, GO, Series G (b):		
0.00%, 7/01/34	1,860	655,669
0.00%, 7/01/35	1,970	652,149
0.00%, 7/01/36	2,960	922,010
0.00%, 7/01/37	1,975	579,050
San Marcos Unified School District, GO, Election of 2010, Series A:		
5.00%, 8/01/34	1,800	1,954,710
5.00%, 8/01/38	1,600	1,719,568
State of California, GO:		
Series 2007-2 (NPFGC), 5.50%, 4/01/30	10	10,043
Various Purpose, 5.00%, 4/01/42	2,000	2,144,360
Various Purposes, 5.50%, 3/01/40	1,020	1,156,711
State of California, GO, Refunding, Various Purpose:		
5.00%, 2/01/38	4,000	4,308,360
5.00%, 9/01/41	2,700	2,884,221
5.00%, 10/01/41	2,555	2,731,090
	<b>Par</b>	
		<b>Value</b>
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>California (concluded)</b>		
Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 0.00%, 8/01/36 (b)	\$ 6,545	\$ 2,248,731
West Valley-Mission Community College District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/30	3,600	3,874,860
		135,162,658
<b>Florida 11.9%</b>		
County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 7/01/33	13,100	14,526,066
County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/34	2,250	2,521,575
County of Collier Florida School Board, COP, (AGM), 5.00%, 2/15/16 (c)	5,000	5,415,100
County of Highlands Florida Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37	1,750	2,034,987
County of Lee Florida, Refunding ARB, Series A, AMT:		
5.63%, 10/01/26	2,600	2,929,550
5.38%, 10/01/32	3,440	3,688,058
County of Miami-Dade Florida, GO, Building Better Communities Program:		
Series B, 6.38%, 7/01/28	6,000	7,051,560
Series B-1, 5.75%, 7/01/33	3,700	4,202,349
County of Miami-Dade Florida, RB:		
Seaport, Series A, 6.00%, 10/01/38	5,695	6,538,031
Seaport, Series B, AMT, 6.00%, 10/01/30	1,820	2,097,095

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Seaport, Series B, AMT, 6.25%, 10/01/38	1,165	1,325,828
Seaport, Series B, AMT, 6.00%, 10/01/42	1,865	2,083,858
Transit System Sales Surtax (AGM), 5.00%, 7/01/35	2,800	3,021,620
County of Miami-Dade Florida, Refunding RB:		
Special Obligation, Sub-Series B, 5.00%, 10/01/37	2,640	2,748,478
Water & Sewer System, Series C, 6.00%, 10/01/23	20,095	23,715,114

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APRIL 30, 2014

## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Florida (concluded)</b>		
County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport, Series A, AMT (AGM), 5.50%, 10/01/41	\$ 19,020	\$ 21,130,840
County of Miami-Dade Florida Aviation Revenue, Refunding RB, AMT:		
5.00%, 10/01/31	4,000	4,302,640
5.00%, 10/01/34	530	560,417
County of Palm Beach Florida Solid Waste Authority, Refunding RB, 5.00%, 10/01/31	3,100	3,340,529
County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	5,135	5,415,422
		118,649,117
<b>Georgia 1.7%</b>		
City of Atlanta Georgia Department of Aviation, Refunding GARB, Series B (AGM), 5.25%, 7/01/14 (c)	10,000	10,086,400
County of Burke Georgia Development Authority, Refunding RB, Oglethorpe Power-Vogtle Project, Series C, 5.70%, 1/01/43	6,450	6,844,353
		16,930,753
<b>Hawaii 0.4%</b>		
State of Hawaii Department of Transportation, COP, AMT:		
5.00%, 8/01/27	2,000	2,166,980
5.00%, 8/01/28	1,775	1,912,456
		4,079,436
<b>Illinois 21.1%</b>		
City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien:		
Series A, 5.75%, 1/01/39	9,000	9,825,390
Series B-2, AMT (NPFGC), 5.25%, 1/01/27	8,530	8,557,893
Series B-2, AMT (NPFGC), 6.00%, 1/01/27	1,695	1,702,611
City of Chicago Illinois, GO, Refunding,:		
5.00%, 1/01/34	2,000	2,022,800
5.00%, 1/01/35	9,280	9,343,011
5.00%, 1/01/36	4,245	4,257,608
Series A, 5.25%, 1/01/33	11,065	11,428,485
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Illinois (continued)</b>		
City of Chicago Illinois, GO, Refunding (concluded):		
Series A (AGC), 5.25%, 1/01/24	\$ 4,700	\$ 5,086,763
City of Chicago Illinois, Refunding GARB, O Hare International Airport, AMT:		
3rd Lien, Series C-2 (AGM), 5.25%, 1/01/30	13,240	13,252,710
Series B, 5.00%, 1/01/31	2,425	2,546,080
City of Chicago Illinois, Refunding RB, Series A:		
Sales Tax Receipts, 5.00%, 1/01/41	4,190	4,297,013
Waterworks, Second Lien (AMBAC), 5.00%, 11/01/36	3,500	3,634,960
City of Chicago Illinois Board of Education, GO, Series A, 5.50%, 12/01/39	6,050	6,219,521
City of Chicago Illinois Park District, GO, Series C, Harbor Facilities:		
Revenues, 5.25%, 1/01/37	4,000	4,208,600
5.25%, 1/01/40	1,505	1,583,486
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36	1,620	1,740,350
County of Cook Illinois Community College District No. 508, GO, City College of Chicago, 5.13%, 12/01/38	3,250	3,442,985
County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37	775	828,273
County of Cook Illinois Forest Preserve District, GO, Series C, 5.00%, 12/15/37	890	945,465
Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 8/15/34	8,700	9,630,900

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Illinois Finance Authority, Refunding RB, Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	5,250	6,065,587
Illinois Municipal Electric Agency, RB, Series A (NPFGC):		
5.00%, 2/01/35	17,935	18,763,597
5.25%, 2/01/35	15,000	16,147,050
Illinois State Toll Highway Authority, RB, Series B:		
5.50%, 1/01/33	4,000	4,446,320
(BHAC), 5.50%, 1/01/33	2,000	2,232,120

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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
<b>Municipal Bonds</b>		
<b>Illinois (concluded)</b>		
Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Explosion Project, Series A (NPFGC) (b):		
0.00%, 12/15/26	\$ 8,500	\$ 5,101,105
0.00%, 6/15/32	14,000	5,915,420
0.00%, 12/15/33	20,000	7,749,400
0.00%, 12/15/34	41,880	15,276,149
Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM), 0.00%, 6/15/44 (b)	9,430	1,882,982
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	1,700	1,972,714
Regional Transportation Authority, RB, Series C (NPFGC), 7.75%, 6/01/20	1,000	1,209,290
State of Illinois, GO:		
5.25%, 2/01/33	5,860	6,289,597
5.25%, 2/01/34	5,360	5,730,912
Various Purposes, 5.50%, 7/01/33	2,235	2,448,755
Various Purposes, 5.50%, 7/01/38	1,200	1,309,044
University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 4/01/39	2,580	2,769,785
		209,864,731
<b>Indiana 3.1%</b>		
City of Indianapolis Indiana, Refunding RB, Series B (AGC), 5.25%, 8/15/27	5,000	5,361,100
Indiana Finance Authority, RB, Series A:		
CWA Authority Project, 1st Lien, 5.25%, 10/01/38	2,900	3,189,217
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/40	2,425	2,465,886
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/44	1,400	1,413,650
Indiana Municipal Power Agency, RB:		
Series A (NPFGC), 5.00%, 1/01/37	3,850	4,087,583
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Indiana (concluded)</b>		
Indiana Municipal Power Agency, RB (concluded):		
Series B, 6.00%, 1/01/39	\$ 5,000	\$ 5,614,050
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A:		
5.75%, 1/01/38	2,900	3,159,115
(AGC), 5.25%, 1/01/29	1,350	1,472,148
(AGC), 5.50%, 1/01/38	4,250	4,571,300
		31,334,049
<b>Iowa 3.0%</b>		
Iowa Finance Authority, RB, Iowa Health Facilities, Series A (AGC), 5.63%, 8/15/37	12,650	14,256,171
Iowa Student Loan Liquidity Corp., RB, Senior Series A-2, AMT:		
5.60%, 12/01/26	3,740	3,952,544
5.70%, 12/01/27	3,740	3,937,173
5.75%, 12/01/28	1,980	2,075,238
5.80%, 12/01/29	2,530	2,646,608
5.85%, 12/01/30	2,615	2,730,295
		29,598,029
<b>Kentucky 1.1%</b>		
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.38%, 1/01/40	1,000	1,086,860
Kentucky Public Transportation Infrastructure Authority, RB, Convertible CAB, 1st tier, Series C, 6.60%, 7/01/39 (a)	8,225	5,077,128
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/28	4,000	4,550,080
		10,714,068

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**Louisiana 1.4%**

City of New Orleans Louisiana Aviation Board, RB, New Orleans Aviation, Series A, AMT (AGM), 5.25%, 1/01/32	6,405	6,609,127
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, East Baton Rouge Sewerage Commission Projects, Sub-Lien, Series A: 5.00%, 2/01/43	3,885	4,145,645

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BLACKROCK MUNIYIELD QUALITY FUND III, INC.

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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
<b>Municipal Bonds</b>		
<b>Louisiana (concluded)</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, East Baton Rouge Sewerage Commission Projects, Sub-Lien, Series A (concluded):		
4.00%, 2/01/48	\$ 3,885	\$ 3,570,665
		14,325,437
<b>Massachusetts 1.1%</b>		
Massachusetts HFA, RB, Series B, 7.00%, 12/01/38	3,150	3,466,040
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	3,100	3,161,070
Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior, Series A, 5.00%, 5/15/43	3,495	3,847,051
		10,474,161
<b>Michigan 8.5%</b>		
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien:		
Series B (AGM), 7.50%, 7/01/33	1,000	1,084,940
Series C-1 (AGM), 7.00%, 7/01/27	1,500	1,624,395
City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM):		
6.25%, 7/01/36	1,075	1,086,965
7.00%, 7/01/36	500	533,485
City of Detroit Michigan Water Supply System, Refunding RB, Water Supply System:		
2nd Lien, Series D (NPFGC), 5.00%, 7/01/33	5,000	4,824,550
Senior Lien, Series D (AGM), 5.00%, 7/01/23	5,000	5,004,750
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41	3,185	3,609,401
Michigan Finance Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/39	16,100	17,003,693
Michigan State Building Authority, Refunding RB, Facilities Program:		
Series I, 6.25%, 10/15/38	3,125	3,628,531
	<b>Par</b>	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan (concluded)</b>		
Michigan State Building Authority, Refunding RB, Facilities Program (concluded):		
Series I (AGC), 5.25%, 10/15/24	\$ 1,750	\$ 1,987,510
Series I (AGC), 5.25%, 10/15/25	3,250	3,648,840
Series I-A, 5.38%, 10/15/41	1,900	2,079,816
State of Michigan, RB, GAB (AGM):		
5.25%, 9/15/22	10,000	11,215,700
5.25%, 9/15/26	6,650	7,368,067
State of Michigan Building Authority, Refunding RB, Facilities Program:		
Series I-A, 5.38%, 10/15/36	2,075	2,277,022
Series II-A (AGM), 5.25%, 10/15/36	8,040	8,747,279
State of Michigan HDA, RB, Series C, AMT, 5.50%, 12/01/28	2,335	2,455,580
Wayne County Airport Authority, Refunding RB, AMT (AGC), 5.38%, 12/01/32	5,000	5,560,250
Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39	1,080	1,150,826
		84,891,600
<b>Minnesota 0.7%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	5,500	6,453,535
<b>Nebraska 0.7%</b>		
Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.25%, 9/01/37	6,825	7,220,850
<b>Nevada 2.3%</b>		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	2,250	2,600,258
County of Clark Nevada, ARB:		
Department of Aviation, Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/14 (c)	12,750	12,852,892
Las Vegas-McCarran International Airport, Series A, 5.25%, 7/01/42	2,000	2,137,080



## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Nevada (concluded)</b>		
County of Clark Nevada, ARB (concluded):		
Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	\$ 5,170	\$ 5,546,117
		23,136,347
<b>New Jersey 6.2%</b>		
New Jersey EDA, RB, Private Activity Bond, The Goethals Bridge Replacement Project:		
AMT, 5.38%, 1/01/43	4,920	5,179,235
AMT, 5.13%, 1/01/34	1,930	2,024,686
New Jersey EDA, Refunding RB, School Facilities Construction:		
Series N-1 (AMBAC), 5.50%, 9/01/24	6,425	7,766,733
Series N-1 (NPFGC), 5.50%, 9/01/28	1,685	2,034,671
New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT:		
5.50%, 12/01/25	1,250	1,379,975
5.50%, 12/01/26	1,800	1,969,848
5.75%, 12/01/28	200	220,636
5.88%, 12/01/33	6,895	7,463,768
New Jersey Housing & Mortgage Finance Agency, Refunding RB, M/F Housing, Series 2, AMT, 4.35%, 11/01/33	3,360	3,333,792
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series A, 0.00%, 12/15/35 (b)	18,525	6,247,556
CAB, Transportation System, Series C (AGC) (AMBAC), 0.00%, 12/15/25 (b)	10,000	6,348,500
Transportation Program, Series AA, 5.25%, 6/15/33	4,150	4,603,429
Transportation System, Series A (NPFGC), 5.75%, 6/15/25	4,000	4,947,920
Transportation System, Series AA, 5.50%, 6/15/39	5,725	6,389,787
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>New Jersey (concluded)</b>		
Rutgers - The State University of New Jersey, Refunding RB, Series L, 5.00%, 5/01/43	\$ 1,200	\$ 1,313,712
		61,224,248
<b>New York 4.2%</b>		
City of New York New York Transitional Finance Authority, RB:		
Fiscal 2009, Series S-4, 5.50%, 1/15/34	7,250	8,295,305
Future Tax Secured, Series C, 5.50%, 11/01/35	1,820	2,106,359
City of New York New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32		
	4,150	4,630,238
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47		
	1,920	2,132,102
Port Authority of New York & New Jersey, ARB, Consolidated, 37th Series, AMT (AGM), 5.13%, 7/15/30		
	19,500	19,872,840
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 172nd Series, AMT, 4.50%, 4/01/37		
	1,500	1,524,945
State of New York Dormitory Authority, ERB, Series B, 5.25%, 3/15/38		
	3,250	3,700,580
		42,262,369
<b>Ohio 2.1%</b>		
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37		
	3,000	3,570,090
County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38		
	11,135	12,145,947
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1:		
5.25%, 2/15/32	1,950	2,176,512
5.25%, 2/15/33	2,730	3,031,965
		20,924,514
<b>Pennsylvania 3.3%</b>		
Commonwealth Financing Authority, RB, Series B, 5.00%, 6/01/42		
	3,630	3,814,513



## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Pennsylvania (concluded)</b>		
Pennsylvania Turnpike Commission, RB:		
Series A, 5.00%, 12/01/38	\$ 1,775	\$ 1,923,710
Series A (AMBAC), 5.50%, 12/01/31	15,600	16,014,804
Series C, 5.50%, 12/01/33	1,565	1,775,680
Sub-Series C (AGC), 6.25%, 6/01/38	5,695	6,534,500
Subordinate, Special Motor License Fund, 6.00%, 12/01/36	2,575	2,968,640
		33,031,847
<b>South Carolina 1.3%</b>		
South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39		
	3,600	4,107,960
State of South Carolina Public Service Authority, RB, Santee Cooper, Series E, 5.50%, 12/01/53		
	2,025	2,243,072
State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series B, 5.00%, 12/01/38		
	5,870	6,294,695
		12,645,727
<b>Texas 15.3%</b>		
City of Houston Texas Utility System, Refunding RB:		
Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35	5,700	6,659,880
Combined 1st Lien, Series A (AGC), 5.38%, 11/15/38	3,650	3,979,595
Series A (AGM), 5.00%, 11/15/36	10,000	10,837,200
City of San Antonio Texas Public Service Board, RB, Junior Lien, 5.00%, 2/01/38		
	1,450	1,579,572
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 9/15/36 (b)		
	5,810	2,045,120
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Cook Children s Medical Center, 5.25%, 12/01/39		
	2,095	2,322,873
Dallas ISD, GO, School Building (PSF-GTD), 6.38%, 2/15/34		
	10,000	11,885,400
	<b>Par</b>	
<b>Municipal Bonds</b>		
<b>Texas (concluded)</b>		
Dallas-Fort Worth International Airport, ARB:		
Joint Improvement, Series D, AMT, 5.00%, 11/01/38	\$ 13,080	\$ 13,492,543
Series F, 5.00%, 11/01/35	5,000	5,199,600
Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33		
	2,745	3,080,933
Grand Prairie ISD, GO, Refunding, 0.00%, 8/15/28 (b)		
	10,000	4,500,600
Judson ISD Texas, GO, School Building (AGC), 5.00%, 2/01/37		
	10,000	10,721,600
North Texas Tollway Authority, Refunding RB, System:		
1st Tier Series A, 6.00%, 1/01/28	6,275	7,257,979
1st Tier Series B (NPFGC), 5.75%, 1/01/40	10,000	11,069,400
Series A (NPFGC), 5.13%, 1/01/28	20,000	21,842,600
San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project:		
4.00%, 9/15/42	2,225	2,105,629
CAB, 0.00%, 9/15/35 (b)	6,410	2,286,960
CAB, 0.00%, 9/15/36 (b)	12,195	4,092,154
CAB, 0.00%, 9/15/37 (b)	8,730	2,756,847
State of Texas Turnpike Authority, RB, CAB (AMBAC), 0.00%, 8/15/31 (b)		
	20,265	7,231,565
Texas Municipal Gas Acquisition & Supply Corp. III, RB:		
5.00%, 12/15/31	1,665	1,717,880
5.00%, 12/15/32	5,565	5,725,717
Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series A, 5.00%, 8/15/41		
	9,250	9,502,063
		151,893,710
<b>Utah 1.8%</b>		
Utah Transit Authority, Refunding RB, CAB (b):		

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Sub-Series A (AGC), 0.00%, 6/15/20

10,000

8,276,700

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2014

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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
<b>Municipal Bonds</b>		
<b>Utah (concluded)</b>		
Utah Transit Authority, Refunding RB, CAB (b) (concluded):		
Sub-Series A (NPFGC), 0.00%, 6/15/24	\$ 13,930	\$ 9,374,333
		17,651,033
<b>Vermont 0.1%</b>		
Vermont HFA, Refunding RB, Multiple Purpose, Series C, AMT (AGM), 5.50%, 11/01/38	1,020	1,037,881
<b>Washington 1.0%</b>		
Washington Health Care Facilities Authority, RB:		
MultiCare Health System, Remarketing, Series B, 5.00%, 8/15/44	1,000	1,044,780
Providence Health & Services, Series A, 5.25%, 10/01/39	2,725	2,899,918
Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36	5,400	6,219,558
		10,164,256
<b>Wisconsin 0.4%</b>		
State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33	3,745	4,110,025
<b>Total Municipal Bonds 109.0%</b>		<b>1,084,627,296</b>
<b>Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (d)</b>		
<b>Arizona 1.5%</b>		
Arizona School Facilities Board, COP, (AGC), 5.13%, 9/01/21 (e)	10,000	11,086,400
Salt River Project Agricultural Improvement & Power District, RB, Electric System, Series A, 5.00%, 1/01/38	3,500	3,823,015
		14,909,415
<b>California 11.3%</b>		
California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33 (e)	7,996	8,885,844
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37	21,981	24,203,140
	<b>Par</b>	
<b>Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (d)</b>		
<b>California (concluded)</b>		
City of Riverside California, RB, Issue D (AGM), 5.00%, 10/01/38	\$ 20,000	\$ 21,117,200
County of Alameda California Joint Powers Authority, Refunding LRB, (AGM), 5.00%, 12/01/34	6,990	7,714,444
County of Orange California Sanitation District, COP, Series B (AGM), 5.00%, 2/01/37	10,780	11,787,822
County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%, 5/01/33	9,370	10,419,721
Foothill-De Anza Community College District, GO, Election of 1999, Series C (NPFGC), 5.00%, 8/01/36	7,500	7,856,400
Las Virgenes Unified School District California, GO, Series A (AGM), 5.00%, 8/01/31	10,000	10,759,277
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33	5,248	6,233,330
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	1,047	1,203,154
University of California, RB, Series O, 5.75%, 5/15/34	2,205	2,569,736
		112,750,068
<b>Colorado 0.3%</b>		
Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiatives, Series A, 5.50%, 7/01/34 (e)	2,469	2,800,250
<b>Connecticut 0.6%</b>		
Connecticut State Health & Educational Facility Authority, RB, Yale University, Series T-1, 4.70%, 7/01/29	5,019	5,488,331

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### District of Columbia 2.6%

District of Columbia, RB, Series A, 5.50%, 12/01/30 (e)	2,595	3,045,033
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/35 (e)	4,279	4,908,171
Metropolitan Washington Airports Authority, RB, Series B, AMT, 5.00%, 10/01/32	10,000	10,568,400

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BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2014

## Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (d)</b>		
<b>District of Columbia (concluded)</b>		
Metropolitan Washington Airports Authority, Refunding ARB, Series A, AMT, 5.00%, 10/01/30	\$ 6,880	\$ 7,516,538
		26,038,142
<b>Florida 6.5%</b>		
City of Tallahassee Florida, RB, Energy System (NPFGC), 5.00%, 10/01/32 (e)	3,300	3,600,564
County of Highlands Florida Health Facilities Authority, RB, Adventist, Series C, 5.25%, 11/15/36	5,400	5,811,696
County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 7/01/42	4,840	5,170,717
County of Miami-Dade Florida Transit System, RB, (Syncora), 5.00%, 7/01/31	19,800	21,100,266
County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/39	11,702	12,405,495
County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 8/01/34	12,013	13,138,004
State of Florida Board of Education, GO, Series D, 5.00%, 6/01/37 (e)	3,299	3,651,500
		64,878,242
<b>Georgia 1.1%</b>		
Metropolitan Atlanta Rapid Transit Authority, Refunding RB, 3rd Indenture, Series B (AGM), 5.00%, 7/01/37	10,000	10,835,515
<b>Illinois 2.7%</b>		
City of Chicago Illinois, RB, Motor Fuel Tax Project, Series A (AGC), 5.00%, 1/01/38	4,000	4,055,920
Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A, 5.00%, 6/15/42	720	748,217
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 (e)	3,499	3,878,259
State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38	10,000	11,542,400
<b>Par</b>		
<b>Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (d)</b>		
<b>Illinois (concluded)</b>		
State of Illinois Toll Highway Authority, RB, Series A, 5.00%, 1/01/38	\$ 5,836	\$ 6,154,577
		26,379,373
<b>Kentucky 0.7%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	5,985	6,815,976
<b>Louisiana 1.1%</b>		
State of Louisiana Gas & Fuels, RB, Series A (AGM), 5.00%, 5/01/36	10,000	10,663,500
<b>Nevada 0.6%</b>		
County of Clark Nevada Water Reclamation District, GO, Series B: Limited Tax, 5.75%, 7/01/34	4,813	5,624,925
5.50%, 7/01/29	510	597,635
		6,222,560
<b>New Jersey 1.8%</b>		
Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28	10,000	12,714,500
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (e)	4,961	5,383,588
		18,098,088
<b>New York 6.7%</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution: Fiscal 2013, Series C, 5.00%, 6/15/47	15,521	16,63