BLACKROCK MUNIYIELD QUALITY FUND, INC.
Form N-CSRS
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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: 811-06660

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

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, 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: 04/30/2018

Date of reporting period: 10/31/2017

Item 1 Report to Stockholders

OCTOBER 31, 2017

SEMI-ANNUAL REPORT (UNAUDITED)

BlackRock MuniYield Fund, Inc. (MYD)

BlackRock MuniYield Quality Fund, Inc. (MQY)

BlackRock MuniYield Quality Fund II, Inc. (MQT)

Not FDIC Insured May Lose Value No Bank Guarantee

The Markets in Review

Dear Shareholder,

In the 12 months ended October 31, 2017, risk assets, such as stocks and high-yield bonds, continued to deliver strong performance. These markets showed great resilience during a period with big political surprises, including the aftermath of the U.K. s vote to leave the European Union and the outcome of the U.S. presidential election, which brought only brief spikes in equity market volatility. In contrast, closely watched elections in France, the Netherlands, and Australia countered the isolationist and nationalist political developments in the U.K. and the United States.

Interest rates rose, which worked against high-quality assets with more interest rate sensitivity. Consequently, longer-term U.S. Treasuries posted negative returns, as rising energy prices, modest wage increases, and steady job growth led to expectations of higher inflation and further interest rate increases by the U.S. Federal Reserve (the Fed).

The market s performance reflected reflationary expectations early in the reporting period, as investors began to sense that a global recovery was afoot. Thereafter, many countries throughout the world experienced sustained and synchronized growth for the first time since the financial crisis. Growth rates and inflation are still relatively low, but they are finally rising together.

The Fed responded to these positive developments by increasing short-term interest rates three times and setting expectations for additional interest rate increases. The Fed also began reducing the vast balance sheet reserves that had accumulated in the wake of the financial crisis. In October 2017, the Fed reduced its $4.5 trillion balance sheet by only $10 billion, while setting expectations for additional modest reductions and rate hikes in 2018.

By contrast, the European Central Bank (ECB) and the Bank of Japan (BoJ) both continued to expand their balance sheets despite nascent signs of sustained economic growth. The Eurozone and Japan are both approaching the limits of central banks ownership share of debt issued by their respective governments, which is a structural pressure point that limits their capacity to deliver additional monetary stimulus. In October 2017, the ECB announced plans to cut the amount of its bond purchases in half for 2018, while the BoJ reiterated its commitment to economic stimulus until the inflation rate rises to its target of 2.0%.

Emerging market growth also stabilized, as accelerating growth in China, the second largest economy in the world and the most influential of all developing economies, improved the outlook for corporate profits and economic growth across most developing nations. Chinese demand for commodities and other raw materials allayed concerns about the country s banking system, leading to rising equity prices and foreign investment flows.

While escalating tensions between the United States and North Korea and our nation s divided politics are significant concerns, benign credit conditions, modest inflation, solid corporate earnings, and the positive outlook for growth in the world s largest economies have kept markets relatively tranquil.

High valuations across most assets have laid the groundwork for muted returns going forward. At current valuation levels, potential equity gains will likely be closely tied to the pace of earnings growth, which has remained solid thus far in 2017, particularly in emerging markets. In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today s markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of October 31, 2017

	6-month	**12-month**
U.S. large cap equities (S&P 500® Index)	9.10%	23.63%
U.S. small cap equities (Russell 2000® Index)	8.01	27.85
International equities (MSCI Europe, Australasia, Far East Index)	10.74	23.44
Emerging market equities (MSCI Emerging Markets Index)	16.14	26.45
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.49	0.72
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	0.15	(2.98)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	1.58	0.90
Tax-exempt municipal bonds (S&P Municipal Bond Index)	2.22	1.80
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	3.44	8.92

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

Table of Contents

Municipal Market Overview For the Reporting Period Ended October 31, 2017

Municipal Market Conditions

Municipal bonds experienced modestly positive performance for the period as a result of rising interest rates spurring from generally stronger economic data, signs of inflation pressures, Fed monetary policy normalization, and market expectations for pro-growth fiscal policy. However, ongoing reassurance from the Fed that rates would be increased gradually and would likely remain low overall resulted in continued demand for fixed income investments. More specifically, investors favored the income, attractive relative yield, and stability of municipal bonds amid bouts of interest rate volatility (bond prices rise as rates fall) resulting from geopolitical tensions, the contentious U.S. election, and evolving global central bank policies. During the 12 months ended October 31, 2017, municipal bond funds experienced net outflows of approximately $3 billion (based on data from the Investment Company Institute). The asset class came under pressure post the November U.S. election as a result of uncertainty surrounding potential tax-reform, though expectation that tax reform was likely to be delayed or watered down quickly eased investor concerns.

For the same 12-month period, total new issuance remained healthy from a historical perspective at $376 billion (though well below the robust $441 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 51%) as issuers continued to take advantage of low interest rates and a flat yield curve to reduce their borrowing costs.

S&P Municipal Bond Index
Total Returns as of October 31, 2017
6 months: 2.22%
12 months: 1.80%

A Closer Look at Yields

From October 31, 2016 to October 31, 2017, yields on AAA-rated 30-year municipal bonds increased by 27 basis points (bps) from 2.56% to 2.83%, while 10-year rates rose by 28 bps from 1.73% to 2.01% and 5-year rates increased 29 bps from 1.13% to 1.42% (as measured by Thomson Municipal Market Data). The municipal yield curve steepened modestly over the 12-month period with the spread between 2- and 30-year maturities steepening by just 2 bps.

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

Financial Conditions of Municipal Issuers

The majority of municipal credits remain strong, despite well-publicized 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 October 31, 2017, and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of any individual holdings or market sectors. Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

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

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the distribution rate on, and net asset value (NAV) of, their common shares (Common Shares). However, 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 such leverage proceeds, and therefore the holders of Common Shares (Common Shareholders) are the beneficiaries of the incremental net income.

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

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

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

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

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

Derivative Financial Instruments

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

Investment Objective

BlackRock MuniYield Fund, Inc. s (MYD) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from U.S. federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal bonds exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Fund invests, under normal market conditions, at least 75% of its total assets in municipal bonds rated investment grade or, if unrated, are deemed to be of comparable quality by the investment adviser at the time of investment and invests primarily in long-term municipal bonds with a maturity of more than ten years 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)	MYD
Initial Offering Date	November 29, 1991
Yield on Closing Market Price as of October 31, 2017 ($14.34)[a]	5.61%
Tax Equivalent Yield[b]	9.91%
Current Monthly Distribution per Common Share[c]	$0.0670
Current Annualized Distribution per Common Share[c]	$0.8040
Economic Leverage as of October 31, 2017[d]	38%

[a] 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.

[b] Tax equivalent yield assumes the maximum marginal U.S. 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.

[c] The distribution rate is not constant and is subject to change.

[d] 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 its accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended October 31, 2017 were as follows:

	Returns Based On	
	Market Price	*NAV*
MYD[a][b]	0.05%	3.97%
Lipper General & Insured Municipal Debt Funds (Leveraged)[c]	2.34	3.81

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

Past performance is not indicative of future results. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

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

U.S. municipal bonds rallied in the six-month period due to the combination of fading prospects for tax reform during the early spring and summer, a positive balance of supply and demand in the market, and budget agreements in Illinois and Connecticut. Longer-term bonds outpaced shorter-term issues, reflecting the backdrop of muted inflation data and expectations for continued monetary policy tightening by the Fed.

The Fund s positions in longer-dated securities made the largest contribution to performance, as bonds in the 20- to 40-year maturity range outpaced the broader market.

Investments in lower-rated securities within the investment-grade market benefited performance at a time of robust investor risk appetites. Credit spreads narrowed considerably amid strong fund flows and investors ongoing search for yield.

At the sector level, the largest contributions came from state and local tax-backed, transportation and health care issues.

Investments in high-quality, pre-refunded securities in the one- to five-year range declined in value amid the upward pressure on short-term interest rates fostered by the ongoing normalization of monetary policy. These positions, which the Fund acquired in a higher-rate environment, were retained due to their above average income.

The Fund sought to manage interest rate risk using U.S. Treasury futures, which had a small, positive effect on Fund 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.

Market Price and Net Asset Value Per Share Summary

	10/31/17	*04/30/17*	*Change*	*High*	*Low*
Market Price	$ 14.34	$ 14.75	(2.78)%	$ 15.72	$ 14.25
Net Asset Value	14.86	14.71	1.02	15.05	14.68

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

Overview of the Fund s Total Investments*

SECTOR ALLOCATION

Sector	*10/31/17*	*04/30/17*
Health	21%	21%
Transportation	20	25
County/City/Special District/School District	16	9
State	10	10
Utilities	9	11
Education	8	10
Corporate	8	8
Tobacco	7	6
Housing	1	

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

CALL/MATURITY SCHEDULE (c)

Calendar Year Ended December 31,	
2017	6%
2018	5
2019	23
2020	12
2021	11

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

* Excludes short-term securities.

CREDIT QUALITY ALLOCATION (a)

Credit Rating	*10/31/17*	*04/30/17*
AAA/Aaa	4%	6%
AA/Aa	46	47
A	18	18
BBB/Baa	17	17
BB/Ba	4	4
B	3	2
N/R	8(b)	6

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

(b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of October 31, 2017, the market value of unrated securities deemed by the investment adviser to be investment grade represents 1% of the Fund s total investments.

Investment Objective

BlackRock MuniYield Quality Fund, Inc. s (MQY) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from U.S. federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal bonds exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Fund invests in municipal bonds which are rated in the three highest quality rating categories (A or better), or, if unrated, are deemed to be of comparable quality by the adviser, at the time of investment. The Fund invests primarily in long-term municipal bonds with maturities of more than ten years 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	MQY
Initial Offering Date	June 26, 1992
Yield on Closing Market Price as of October 31, 2017 ($15.31)[a]	5.68%
Tax Equivalent Yield[b]	10.04%
Current Monthly Distribution per Common Share[c]	$0.0725
Current Annualized Distribution per Common Share[c]	$0.8700
Economic Leverage as of October 31, 2017[d]	38%

(a) 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.

(b) Tax equivalent yield assumes the maximum marginal U.S. 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.

(c) The monthly distribution per Common Share, declared on December 1, 2017, was decreased to $0.063 per share. The yield on closing market price, current monthly distributions per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

(d) 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 its accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended October 31, 2017 were as follows:

	Returns Based On	
	Market Price	*NAV*
MQY[a][b]	3.98%	4.47%
Lipper General & Insured Municipal Debt Funds (Leveraged)[c]	2.34	3.81

[a] All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

[b] The Fund s discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.

[c] Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Past performance is not indicative of future results. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

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

U.S. municipal bonds rallied in the six-month period due to the combination of fading prospects for tax reform during the early spring and summer, a positive balance of supply and demand in the market, and budget agreements in Illinois and Connecticut. Longer-term bonds outpaced shorter-term issues, reflecting the backdrop of muted inflation data and expectations for continued monetary policy tightening by the Fed.

Portfolio income, enhanced by leverage, produced the largest positive contribution to Fund performance in a period characterized by a mild decline in municipal bond yields. (Prices and yields move in opposite directions.)

The Fund s exposure to the long end of the yield curve aided results at a time of outperformance for longer-term bonds. Positions in lower-coupon bonds, including zero-coupon issues, contributed to performance due to their above-average interest rate sensitivity.

The Fund s position in New Jersey state-appropriated debt benefited from a meaningful tightening of yield spreads. At the sector level, transportation issues made a strong contribution to performance. Municipal bonds subject to the AMT, which outperformed in anticipation of possible tax law changes, also performed well.

The Fund sought to manage interest rate risk using U.S. Treasury futures, which had a small, positive effect on returns.

Exposure to pre-refunded issues slightly hurt Fund results given the underperformance of short-term bonds.

Reinvestment was a further detractor, as the proceeds of higher-yielding bonds that matured or were called, needed to be reinvested at materially lower prevailing rates.

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

Market Price and Net Asset Value Per Share Summary

	10/31/17	*04/30/17*	*Change*	*High*	*Low*
Market Price	$ 15.31	$ 15.14	1.12%	$ 16.10	$ 15.13
Net Asset Value	15.81	15.56	1.61	16.05	15.53

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

Overview of the Fund s Total Investments*

SECTOR ALLOCATION

Sector	*10/31/17*	*04/30/17*
Transportation	26%	24%
County/City/Special District/School District	20	18
State	16	17
Utilities	15	17
Health	13	12
Education	4	7
Corporate	3	3
Housing	2	1
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.

CALL/MATURITY SCHEDULE [c]

Calendar Year Ended December 31,	
2017	3%
2018	13
2019	10
2020	4
2021	12

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

* Excludes short-term securities.

CREDIT QUALITY ALLOCATION (a)

Credit Rating	*10/31/17*	*04/30/17*
AAA/Aaa	6%	7%
AA/Aa	54	60
A	26	19
BBB/Baa	9	12
BB/Ba	2	
N/R	3(b)	2

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

(b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of October 31, 2017, the market value of unrated securities deemed by the investment adviser to be investment grade represents less than 1% of the Fund s total investments.

Fund Summary as of October 31, 2017 **BlackRock MuniYield Quality Fund II, Inc.**

Investment Objective

BlackRock MuniYield Quality Fund II, Inc. s (MQT) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from U.S. federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal bonds exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Fund invests in municipal bonds which are in the three highest quality rating categories (A or better) or, if unrated, are deemed to be of comparable quality by the investment adviser at the time of investment. The Fund invests primarily in long-term municipal bonds with maturities of more than ten years 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	MQT
Initial Offering Date	August 28, 1992
Yield on Closing Market Price as of October 31, 2017 ($12.95)[a]	5.00%
Tax Equivalent Yield[b]	8.83%
Current Monthly Distribution per Common Share[c]	$0.0540
Current Annualized Distribution per Common Share[c]	$0.6480
Economic Leverage as of October 31, 2017[d]	38%

[a] 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.

[b] Tax equivalent yield assumes the maximum marginal U.S. 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.

[c] The distribution rate is not constant and is subject to change.

[d] 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 its accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended October 31, 2017 were as follows:

	Returns Based On	
	Market Price	*NAV*
MQT[a][b]	2.84%	4.19%
Lipper General & Insured Municipal Debt Funds (Leveraged)[c]	2.34	3.81

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

Past performance is not indicative of future results. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

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

U.S. municipal bonds rallied in the six-month period due to the combination of fading prospects for tax reform during the early spring and summer, a positive balance of supply and demand in the market, and budget agreements in Illinois and Connecticut. Longer-term bonds outpaced shorter-term issues, reflecting the backdrop of muted inflation data and expectations for continued monetary policy tightening by the Fed.

Portfolio income, enhanced by leverage, produced the largest positive contribution to performance in a period characterized by a mild decline in municipal bond yields. (Prices and yields move in opposite directions.)

The Fund s exposure to the long end of the yield curve aided results at a time of outperformance for longer-term bonds. Positions in lower-coupon bonds, including zero-coupon issues, contributed to performance due to their above-average interest rate sensitivity.

The Fund s position in New Jersey state-appropriated debt benefited from a meaningful tightening of yield spreads. At the sector level, transportation issues made a strong contribution to performance. Municipal bonds subject to the AMT, which outperformed in anticipation of possible tax law changes, also performed well.

The Fund sought to manage interest rate risk using U.S. Treasury futures, which had a small, positive effect on returns.

Exposure to pre-refunded issues slightly hurt Fund results given the underperformance of short-term bonds.

Reinvestment was a further detractor, as the proceeds of higher-yielding bonds that matured or were called, needed to be reinvested at materially lower prevailing rates.

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

Market Price and Net Asset Value Per Share Summary

	10/31/17	*04/30/17*	*Change*	*High*	*Low*
Market Price	$ 12.95	$ 12.94	0.08%	$ 13.91	$ 12.86
Net Asset Value	13.88	13.69	1.39	14.08	13.66

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

Overview of the Fund s Total Investments*

SECTOR ALLOCATION

Sector	*10/31/17*	*04/30/17*
Transportation	32%	26%
County/City/Special District/School District	16	24
Health	15	13
Utilities	14	14
State	12	12
Education	6	6
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.

CALL/MATURITY SCHEDULE (c)

Calendar Year Ended December 31,	
2017	3%
2018	10
2019	13
2020	5
2021	11

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

* Excludes short-term securities.

CREDIT QUALITY ALLOCATION (a)

Credit Rating	*10/31/17*	*04/30/17*
AAA/Aaa	5%	7%
AA/Aa	57	61
A	23	17
BBB/Baa	11	13
BB/Ba	2	
N/R	2(b)	2

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

(b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of October 31, 2017, the market value of unrated securities deemed by the investment adviser to be investment grade represents less than 1% of the Fund s total investments.

Schedule of Investments | **BlackRock MuniYield Fund, Inc. (MYD)**

October 31, 2017 | **(Percentages shown are based on Net Assets)**
(Unaudited)

Security	*Par (000)*	*Value*
Municipal Bonds		
Alabama 2.0%		
County of Jefferson Alabama Sewer, Refunding RB:		
Senior Lien, Series A (AGM), 5.00%, 10/01/44	$ 1,665	$ 1,849,998
Senior Lien, Series A (AGM), 5.25%, 10/01/48	3,175	3,564,699
Sub-Lien, Series D, 6.00%, 10/01/42	7,410	8,645,099
		14,059,796
Alaska 0.2%		
Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A, 4.63%, 6/01/23	1,070	1,100,559
Arizona 2.7%		
City of Phoenix Arizona IDA, RB, Legacy Traditional Schools Projects, Series A, 5.00%, 7/01/46[(a)]	3,575	3,712,280
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	7,365	8,901,560
5.00%, 12/01/37	5,000	6,091,400
		18,705,240
California 10.4%		
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 7/01/39	4,425	4,748,379
Sutter Health, Series B, 6.00%, 8/15/42	6,465	7,270,862
California Health Facilities Financing Authority, Refunding RB, Series A:		
Dignity Health, 6.00%, 7/01/19[(b)]	3,155	3,410,776
St. Joseph Health System, 5.00%, 7/01/33	2,560	2,925,031
California Municipal Finance Authority, RB, Senior, Caritas Affordable Housing, Inc. Projects, S/F Housing, Series A:		
5.25%, 8/15/39	305	336,354
5.25%, 8/15/49	770	843,312
California Municipal Finance Authority, Refunding RB, Community Medical Centers, Series A:		
5.00%, 2/01/36	670	759,532
5.00%, 2/01/37	505	571,195
California Pollution Control Financing Authority, RB, Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 11/21/45[(a)]	1,650	1,777,644
California Statewide Communities Development Authority, RB, Series A:		
John Muir Health, 5.13%, 7/01/39	2,300	2,442,738
Loma Linda University Medical Center, 5.00%, 12/01/41[(a)]	1,100	1,190,827
Loma Linda University Medical Center, 5.00%, 12/01/46[(a)]	955	1,024,906

California Statewide Financing Authority, RB, Asset-Backed, Tobacco Settlement, Series A, 6.00%, 5/01/43	3,285	3,285,591
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A, 5.25%, 5/15/39	1,605	1,704,911
City of Stockton California Public Financing Authority, RB, Delta Water Supply Project, Series A:		
6.25%, 10/01/38	405	496,996
6.25%, 10/01/40	335	408,596
Golden State Tobacco Securitization Corp., Refunding RB, Asset-Backed, Senior Series A-1:		
5.13%, 6/01/47	6,205	6,102,804
5.75%, 6/01/47	4,740	4,739,858
State of California, GO:		
(AMBAC), 5.00%, 4/01/31	10	10,034
Various Purposes, 6.00%, 3/01/33	5,085	5,660,419
Various Purposes, 6.50%, 4/01/33	14,075	15,148,641

Security	*Par (000)*	*Value*
California (continued)		
State of California Public Works Board, LRB, Various Capital Projects:		
Series I, 5.00%, 11/01/38	$ 1,605	$ 1,842,588
Sub-Series I-1, 6.38%, 11/01/19[(b)]	2,385	2,635,854
Tobacco Securitization Authority of Southern California, Refunding RB, Tobacco Settlement, Asset-Backed, Senior Series A-1:		
4.75%, 6/01/25	1,200	1,200,732
5.00%, 6/01/37	1,775	1,780,609
		72,319,189
Colorado 0.8%		
Denver Connection West Metropolitan District, GO, Series A, 5.38%, 8/01/47	1,250	1,253,600
University of Colorado, RB, Series A[(b)]:		
5.25%, 6/01/19	2,250	2,394,428
5.38%, 6/01/19	1,250	1,332,675
5.38%, 6/01/19	830	884,896
		5,865,599
Connecticut 0.8%		
Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, Series A, 5.00%, 11/15/40	2,770	2,957,446
Connecticut State Health & Educational Facility Authority, Refunding RB, Wesleyan University, Series G, 5.00%, 7/01/20[(b)]	2,225	2,447,211
		5,404,657
Delaware 2.0%		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40	2,305	2,441,041
Delaware Transportation Authority, RB, U.S. 301 Project, 5.00%, 6/01/55	2,430	2,736,229
State of Delaware EDA, RB, Exempt Facilities, Indian River Power LLC Project, 5.38%, 10/01/45	8,275	8,547,909
		13,725,179

District of Columbia 4.5%		
District of Columbia, Refunding RB, Georgetown University:		
5.00%, 4/01/35	910	1,069,705
Issue, 5.00%, 4/01/42	1,050	1,217,360
District of Columbia, Tax Allocation Bonds, City Market at O Street Project, 5.13%, 6/01/41	4,440	4,904,113
Metropolitan Washington Airports Authority, Refunding RB:		
CAB, 2nd Senior Lien, Series B (AGC), 0.00%, 10/01/31(c)	8,350	5,187,855
CAB, 2nd Senior Lien, Series B (AGC), 0.00%, 10/01/32(c)	15,000	8,914,200
Dulles Toll Road, 1st Senior Lien, Series A, 5.25%, 10/01/44	2,425	2,579,764
Dulles Toll Road, CAB, 2nd Senior Lien, Series B (AGC), 0.00%, 10/01/33(c)	13,410	7,624,121
		31,497,118
Florida 5.7%		
City of Atlantic Beach Florida, RB, Health Care Facilities, Fleet Landing Project, Series B, 5.63%, 11/15/43	2,805	3,107,463
City of Clearwater Florida Water & Sewer Revenue, RB, Series A, 5.25%, 12/01/19(b)	6,900	7,476,909
County of Alachua Florida Health Facilities Authority, RB, Shands Teaching Hospital and Clinics, Series A, 5.00%, 12/01/44	4,825	5,301,469
County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/18(b)	2,155	2,236,481

Schedule of Investments (continued) **BlackRock MuniYield Fund, Inc. (MYD)**

October 31, 2017 (Unaudited) **(Percentages shown are based on Net Assets)**

Security	*Par (000)*	*Value*
Florida (continued)		
County of Collier Florida Health Facilities Authority, Refunding RB, Series A, 5.00%, 5/01/45	$ 2,790	$ 3,106,665
County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport, Series A-1, 5.38%, 10/01/41	7,530	8,333,752
Mid-Bay Florida Bridge Authority, RB, Springing Lien, Series A, 7.25%, 10/01/21[b]	6,150	7,486,579
Santa Rosa Bay Bridge Authority, RB, 6.25%, 7/01/28[d]	3,614	2,602,311
		39,651,629
Georgia 2.3%		
City of Atlanta Georgia Water & Wastewater, Refunding RB, 5.00%, 11/01/40	4,520	5,214,679
County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A, 5.50%, 8/15/54	1,075	1,259,889
DeKalb Georgia Private Hospital Authority, Refunding RB, Children s Healthcare, 5.25%, 11/15/39	1,700	1,827,143
Metropolitan Atlanta Rapid Transit Authority, RB, Sales Tax, 3rd Indenture, Series A, 5.00%, 7/01/19[b]	6,945	7,384,271
		15,685,982
Hawaii 0.4%		
State of Hawaii Harbor System, RB, Series A, 5.25%, 7/01/30	2,760	2,992,254
Idaho 1.4%		
County of Power Idaho Industrial Development Corp., RB, FMC Corp. Project, AMT, 6.45%, 8/01/32	10,000	10,041,000
Illinois 16.3%		
Bolingbrook Special Service Area No. 1, Special Tax Bonds, Forest City Project, 5.90%, 3/01/27	1,000	1,000,940
City of Chicago Illinois, GO, Project, Series A, 5.00%, 1/01/34	3,570	3,698,556
City of Chicago Illinois, GO, Refunding, Project, Series A, 5.25%, 1/01/32	6,390	6,782,729
City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien:		
5.63%, 1/01/21[b]	3,390	3,840,701
5.63%, 1/01/35	810	906,706
Series A, 5.75%, 1/01/21		