

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

Form N-Q

June 22, 2015

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: 07/31/2015

Date of reporting period: 04/30/2015

Item 1 Schedule of Investments

Schedule of Investments April 30, 2015 (Unaudited)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Alabama 0.4%		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC), 6.00%, 6/01/39	\$ 3,605	\$ 4,171,093
Alaska 1.7%		
Alaska Housing Finance Corp., RB, General Housing, Series B (NPFGC), 5.25%, 12/01/30	2,000	2,008,660
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	2,690	3,078,275
Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28	10,150	12,047,745
		17,134,680
Arizona 0.4%		
City of Phoenix & County of Maricopa Arizona IDA, Refunding RB, S/F, Series A-2, AMT (Fannie Mae), 5.80%, 7/01/40	190	193,179
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27	3,075	3,445,568
		3,638,747
Arkansas 0.1%		
County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42	1,110	1,234,054
California 14.8%		
Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.40%, 10/01/24	10,000	10,961,000
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 7/01/39	1,550	1,790,777
Sutter Health, Series B, 5.88%, 8/15/31	3,200	3,807,872
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.00%, 7/01/37	2,965	3,325,485
California HFA, RB, S/F Housing, Home Mortgage, Series K, AMT, 5.50%, 2/01/42	795	809,207
	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
California State University, RB, Systemwide, Series A, 5.50%, 11/01/39	\$ 1,525	\$ 1,760,933
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37	3,545	3,797,652
California Statewide Communities Development Authority, RB:		
Kaiser Permanente, Series A, 5.00%, 4/01/42	4,030	4,453,271
St. Joseph Health System, Series E (AGM), 5.25%, 7/01/47	4,000	4,311,800
Chabot-Las Positas Community College District, GO, CAB, Series C (AMBAC), 0.00%, 8/01/36 (a)	7,790	2,738,497
City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30	1,900	2,091,083
City of San Jose California, Refunding ARB, AMT:		
Series A (AMBAC), 5.50%, 3/01/32	11,965	12,821,694
Series A-1, 5.75%, 3/01/34	2,300	2,630,694
Coast Community College District, GO, Election of 2002, Series C (AGM), 0.00%, 8/01/33 (a)	8,100	3,112,830
County of Orange California Sanitation District, COP, Series B (AGM), 5.00%, 2/01/17 (b)	10,780	11,617,067
County of Sacramento California, ARB, Senior Series A, 5.00%, 7/01/41	10,000	10,973,300
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	1,830	2,219,881
Dublin Unified School District California, GO, CAB, Election of 2004, Series D, 0.00%, 8/01/34 (a)	5,000	1,693,000
Golden State Tobacco Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 6/01/40	4,200	4,648,560
Grossmont Union High School District, GO, CAB, Election of 2004, 0.00%, 8/01/31 (a)	5,110	2,625,314
Long Beach Unified School District, GO, Election of 2008, Series B, 0.00%, 8/01/34 (a)	5,000	2,233,450

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/17 (b)	\$ 1,200	\$ 1,313,640
Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 8/01/43 (c)	3,975	2,692,108
Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (a)	7,620	2,725,979
Oceanside Unified School District, GO, Series A (AGC), 5.25%, 8/01/33	2,500	2,763,250
Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement, Election of 2008, Series B (a):		
0.00%, 8/01/35	7,820	3,363,226
0.00%, 8/01/36	10,000	4,057,200
Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C (a):		
0.00%, 8/01/37	8,000	3,164,400
0.00%, 8/01/38	12,940	4,910,471
San Bernardino Community College District, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,165	2,280,221
San Diego California Unified School District, GO, CAB, Election of 2008, Series G (a):		
0.00%, 7/01/34	1,860	765,706
0.00%, 7/01/35	1,970	760,518
0.00%, 7/01/36	2,960	1,075,309
0.00%, 7/01/37	1,975	675,371
San Diego California Unified School District, GO, Refunding, CAB, Election of 2008, Series R-1, 0.00%, 7/01/31 (a)	3,485	1,860,328
San Marcos Unified School District, GO, Election of 2010, Series A:		
5.00%, 8/01/34	1,800	2,037,366
5.00%, 8/01/38	1,600	1,791,264
State of California, GO, Refunding, Various Purposes:		
5.00%, 9/01/41	2,700	3,020,949
5.00%, 10/01/41	2,555	2,862,392
State of California, GO, Series 2007-2 (NPFGC), 5.50%, 4/01/30	10	10,042
	Par	
	(000)	Value
Municipal Bonds		
California (concluded)		
State of California Public Works Board, LRB:		
Judicial Council Projects, Series A, 5.00%, 3/01/38	\$ 1,940	\$ 2,149,054
Various Capital Projects, Series I, 5.00%, 11/01/38	5,040	5,623,229
Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 0.00%, 8/01/36 (a)	6,545	2,628,472
West Valley-Mission Community College District, GO:		
5.00%, 8/01/16 (b)	3,025	3,203,082
5.00%, 8/01/30	575	606,343
		150,763,287
Colorado 0.8%		
Regional Transportation District, COP, Series A, 5.00%, 6/01/39	7,120	7,924,631
Florida 11.5%		
City of Lakeland Florida, RB, Regional Health, 5.00%, 11/15/40	4,535	4,899,160
County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 7/01/33	13,100	14,441,309
County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/34	2,250	2,511,247
County of Collier Florida School Board, COP, (AGM), 5.00%, 2/15/16 (b)	5,000	5,188,000
County of Highlands Florida Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37	1,750	2,044,892
County of Lee Florida, Refunding ARB, Series A, AMT:		
5.63%, 10/01/26	2,600	3,021,304
5.38%, 10/01/32	3,440	3,778,806
County of Miami-Dade Florida, GO, Building Better Communities Program:		
Series B, 6.38%, 7/01/28	6,000	6,917,280

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Series B-1, 5.75%, 7/01/33	3,700	4,186,772
County of Miami-Dade Florida, RB: Seaport, 6.00%, 10/01/30	1,820	2,214,467
Transit System Sales Surtax (AGM), 5.00%, 7/01/35	2,800	3,068,884
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series C (BHAC), 6.00%, 10/01/23	20,095	23,154,866

2

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2015

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Florida (concluded)		
County of Miami-Dade Florida, RB, Series B, AMT:		
Seaport, Series A, 6.00%, 10/01/38	\$ 5,695	\$ 6,872,954
Seaport, 6.25%, 10/01/38	1,165	1,431,203
Seaport, 6.00%, 10/01/42	1,865	2,246,169
County of Miami-Dade Florida Aviation, Refunding ARB, AMT:		
5.00%, 10/01/34	530	587,028
Miami International Airport, Series A (AGM), 5.50%, 10/01/41	19,020	21,257,893
County of Palm Beach Florida Solid Waste Authority, Refunding RB, 5.00%, 10/01/31	3,100	3,543,021
County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	5,135	5,729,787
		117,095,042
Georgia 1.1%		
County of Burke Georgia Development Authority, Refunding RB, Oglethorpe Power-Vogtle Project, Series C, 5.70%, 1/01/43		
	6,450	7,009,860
County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A, 5.50%, 8/15/54		
	1,405	1,614,809
Private Colleges & Universities Authority, RB, Savannah College of Art & Design:		
5.00%, 4/01/31	540	594,626
5.00%, 4/01/33	395	432,754
5.00%, 4/01/44	1,775	1,922,236
		11,574,285
Hawaii 0.4%		
State of Hawaii Department of Transportation, COP, AMT:		
5.00%, 8/01/27	2,000	2,243,660
	Par	
Municipal Bonds		
	(000)	Value
Hawaii (concluded)		
State of Hawaii Department of Transportation, COP, AMT (concluded):		
5.00%, 8/01/28	\$ 1,775	\$ 1,972,274
		4,215,934
Illinois 21.8%		
City of Chicago Illinois, GARB, 3rd Lien:		
O Hare International Airport, Series B-2, AMT (NPFGC), 5.25%, 1/01/27	8,530	8,561,049
O Hare International Airport, Series A, 5.75%, 1/01/39	9,000	10,256,400
O Hare International Airport, Series B-2, AMT (NPFGC), 6.00%, 1/01/27	1,695	1,703,017
City of Chicago Illinois, GO, Refunding, Series A:		
5.00%, 1/01/34	2,000	1,943,120
5.00%, 1/01/35	9,280	8,930,794
5.00%, 1/01/36	4,245	4,050,027
Project, 5.25%, 1/01/33	11,065	11,102,400
City of Chicago Illinois, Refunding GARB, O Hare International Airport, AMT:		
3rd Lien, Series C-2 (AGM), 5.25%, 1/01/30	13,240	13,259,463
Series B, 5.00%, 1/01/31	2,425	2,630,567
City of Chicago Illinois, Refunding RB, Series A:		
Sales Tax Receipts, 5.00%, 1/01/41	4,190	4,435,450
Waterworks, 2nd Lien (AMBAC), 5.00%, 11/01/36	3,500	3,668,910
City of Chicago Illinois Midway International Airport, Refunding RB, 2nd Lien, Series A, AMT, 5.00%, 1/01/34		
	3,035	3,313,431
City of Chicago Illinois Park District, GO, Harbor Facilities Revenue, Series C:		
5.25%, 1/01/37	4,000	4,303,680
5.25%, 1/01/40	1,505	1,614,489
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36	1,620	1,792,449

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County of Cook Illinois Community College District No. 508, GO, City College of Chicago,
5.13%, 12/01/38

3,250

3,608,118

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2015

3

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Illinois (continued)		
County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37	\$ 775	\$ 850,795
Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 8/15/34	8,700	10,181,610
Illinois Finance Authority, Refunding RB:		
Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	5,250	6,060,232
Silver Cross Hospital And Medical Centers, 4.13%, 8/15/37	1,965	1,867,182
Silver Cross Hospital And Medical Centers, 5.00%, 8/15/44	1,965	2,113,868
Illinois Municipal Electric Agency, RB, Series A (NPFGC) (b):		
5.00%, 2/01/17	17,935	19,288,375
5.25%, 2/01/17	15,000	16,197,150
Illinois State Toll Highway Authority, RB, Series B:		
5.50%, 1/01/33	4,000	4,387,240
(BHAC), 5.50%, 1/01/33	2,000	2,200,220
Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Explosion Project, Series A (NPFGC) (a):		
0.00%, 12/15/26	8,500	5,546,590
0.00%, 6/15/32	14,000	6,688,780
0.00%, 12/15/33	20,000	8,827,200
0.00%, 12/15/34	41,880	17,453,909
Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM), 0.00%, 6/15/44 (a)	9,430	2,395,974
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	1,700	2,002,345
Regional Transportation Authority, RB, Series C (NPFGC), 7.75%, 6/01/20	865	1,007,803
State of Illinois, GO:		
5.25%, 7/01/29	3,160	3,405,374
5.25%, 2/01/33	5,860	6,244,475
5.50%, 7/01/33	2,235	2,468,178
5.25%, 2/01/34	5,360	5,699,663
5.50%, 7/01/38	1,200	1,319,928
	Par	
	(000)	Value
Municipal Bonds		
Illinois (concluded)		
State of Illinois, GO (concluded):		
5.00%, 2/01/39	\$ 7,500	\$ 7,757,325
University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 4/01/39	2,580	2,859,646
		221,997,226
Indiana 3.2%		
City of Indianapolis Indiana, Refunding RB, Series B (AGC), 5.25%, 8/15/27	5,000	5,481,150
Indiana Finance Authority, RB, Series A:		
CWA Authority Project, 1st Lien, 5.25%, 10/01/38	2,900	3,322,704
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/44	1,400	1,491,140
Private Activity Bond, Ohio River Bridges, AMT, 5.00%, 7/01/40	2,425	2,593,319
Indiana Municipal Power Agency, RB:		
Series A (NPFGC), 5.00%, 1/01/37	3,850	4,056,861
Series B, 6.00%, 1/01/39	5,000	5,750,000
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A:		
5.75%, 1/01/38	2,900	3,314,903
(AGC), 5.25%, 1/01/29	1,350	1,519,236
(AGC), 5.50%, 1/01/38	4,250	4,823,665
		32,352,978
Iowa 2.8%		
Iowa Finance Authority, RB, Iowa Health Care Facilities, Series A (AGC), 5.63%, 8/15/37	12,650	14,405,061
Iowa Student Loan Liquidity Corp., RB, Senior Series A-2, AMT:		

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5.60%, 12/01/26	3,365	3,640,526
5.70%, 12/01/27	3,360	3,613,915
5.75%, 12/01/28	1,775	1,908,462
5.80%, 12/01/29	2,270	2,438,616

4

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2015

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Iowa (concluded)		
Iowa Student Loan Liquidity Corp., RB, Senior Series A-2, AMT (concluded): 5.85%, 12/01/30	\$ 2,355	\$ 2,531,861
		28,538,441
Kentucky 1.1%		
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.38%, 1/01/40	1,000	1,113,730
Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C, 0.00%, 7/01/39 (c)	8,225	5,732,661
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/28	4,000	4,520,360
		11,366,751
Louisiana 1.2%		
City of New Orleans Louisiana Aviation Board, RB, New Orleans Aviation, Series A, AMT (AGM), 5.25%, 1/01/32	6,405	6,875,767
City of New Orleans Louisiana Aviation Board, RB, Series B, AMT, 5.00%, 1/01/40	4,825	5,261,084
		12,136,851
Massachusetts 1.0%		
Massachusetts HFA, RB, M/F Housing, Series B, 7.00%, 12/01/38	3,150	3,437,343
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	3,100	3,217,986
Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A, 5.00%, 5/15/43	3,495	3,927,366
		10,582,695
Michigan 7.7%		
City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM), 6.25%, 7/01/36	1,075	1,178,641
City of Detroit Michigan Water Supply System, Refunding RB, 2nd Lien, Series D (NPFGC), 5.00%, 7/01/33	5,000	5,116,750
	Par	
	(000)	Value
Municipal Bonds		
Michigan (concluded)		
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41	\$ 3,185	\$ 3,720,621
Michigan Finance Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/39	16,100	17,858,603
State of Michigan, RB, GAB (AGM): 5.25%, 9/15/22	10,000	11,019,800
5.25%, 9/15/26	6,650	7,312,340
State of Michigan Building Authority, Refunding RB, Facilities Program: Series I, 6.25%, 10/15/38	3,125	3,605,969
Series I (AGC), 5.25%, 10/15/24	1,750	2,021,093
Series I (AGC), 5.25%, 10/15/25	3,250	3,741,335
Series I-A, 5.38%, 10/15/36	2,075	2,401,875
Series I-A, 5.38%, 10/15/41	1,900	2,194,424
Series II-A (AGM), 5.25%, 10/15/36	8,040	8,984,780
State of Michigan HDA, RB, S/F Housing, Series C, AMT, 5.50%, 12/01/28	2,065	2,184,212
Wayne County Airport Authority, Refunding RB, AMT (AGC), 5.38%, 12/01/32	5,000	5,570,200
Western Michigan University, Refunding RB, (AGM), 5.00%, 11/15/39	1,080	1,196,176
		78,106,819
Minnesota 0.6%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	5,500	6,392,595
Nebraska 0.8%		

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Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.25%, 9/01/37	6,825	7,633,694
Nevada 1.1%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	2,250	2,594,295
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A: 5.25%, 7/01/42	2,000	2,240,480

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2015

5

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Nevada (concluded)		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (concluded): (AGM), 5.25%, 7/01/39	\$ 5,170	\$ 5,817,026
		10,651,801
New Jersey 8.0%		
New Jersey EDA, RB:		
Private Activity Bond, The Goethals Bridge Replacement Project, AMT, 5.13%, 1/01/34	1,930	2,125,509
School Facilities Construction, Series UU, 5.00%, 6/15/34	1,620	1,711,028
School Facilities Construction, Series UU, 5.00%, 6/15/40	4,015	4,178,932
The Goethals Bridge Replacement Project, AMT, 5.38%, 1/01/43	4,920	5,441,225
New Jersey EDA, Refunding RB, School Facilities Construction:		
Series N-1 (AMBAC), 5.50%, 9/01/24	6,325	7,291,966
Series N-1 (NPFGC), 5.50%, 9/01/28	1,685	1,959,975
New Jersey Educational Facilities Authority, RB, Higher Educational Capital Improvement Fund, Series A, 5.00%, 9/01/26	2,245	2,467,929
New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT:		
5.50%, 12/01/25	1,250	1,390,175
5.50%, 12/01/26	1,800	1,992,492
5.75%, 12/01/28	200	220,882
5.88%, 12/01/33	6,895	7,640,970
New Jersey Housing & Mortgage Finance Agency, Refunding RB, M/F Housing, Series 2, AMT, 4.35%, 11/01/33	3,360	3,431,198
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series A, 0.00%, 12/15/35 (a)	18,525	6,609,349
CAB, Transportation System, Series C (AGC) (AMBAC), 0.00%, 12/15/25 (a)	10,000	6,810,100
Transportation Program, Series AA, 5.25%, 6/15/33	4,150	4,441,247
Transportation Program, Series AA, 5.00%, 6/15/38	4,990	5,205,169
	Par	
Municipal Bonds		
New Jersey (concluded)		
New Jersey Transportation Trust Fund Authority, RB (concluded):		
Transportation System, Series A (NPFGC), 5.75%, 6/15/25	\$ 4,000	\$ 4,774,280
Transportation System, Series AA, 5.50%, 6/15/39	5,725	6,232,579
Transportation System, Series B, 5.00%, 6/15/42	7,550	7,798,697
		81,723,702
New York 1.9%		
City of New York New York Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/34		
	7,250	8,305,455
City of New York New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32		
	4,150	4,803,500
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47		
	1,920	2,208,480
State of New York Dormitory Authority, ERB, Series B, 5.25%, 3/15/38		
	3,250	3,675,100
		18,992,535
Ohio 2.2%		
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37		
	3,000	3,736,380
County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38		
	11,135	12,753,027
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 2/15/32		
	1,950	2,238,151
5.25%, 2/15/33	2,730	3,127,297
		21,854,855
Pennsylvania 4.3%		
Commonwealth Financing Authority, RB, Series B, 5.00%, 6/01/42		
	3,305	3,589,858

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Pennsylvania Economic Development Financing Authority, RB, AMT, Pennsylvania Bridges

Finco LP:

5.00%, 12/31/34 (d)	7,115	7,736,993
5.00%, 12/31/38	5,850	6,317,649

6

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

APRIL 30, 2015

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Pennsylvania (concluded)		
Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 9/01/50	\$ 11,685	\$ 12,942,657
Pennsylvania Turnpike Commission, RB:		
Series A, 5.00%, 12/01/38	1,775	1,979,480
Series C, 5.50%, 12/01/33	1,565	1,843,617
Sub-Series C (AGC), 6.25%, 6/01/38	5,695	6,453,460
Subordinate, Special Motor License Fund, 6.00%, 12/01/36	2,575	3,045,015
		43,908,729
South Carolina 2.6%		
South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39	3,600	4,361,292
State of South Carolina Public Service Authority, RB, Santee Cooper:		
Series A, 5.50%, 12/01/54	11,450	13,065,709
Series E, 5.50%, 12/01/53	2,025	2,305,706
State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series B, 5.00%, 12/01/38	5,870	6,499,205
		26,231,912
Texas 15.8%		
Central Texas Turnpike System, Refunding RB, 2nd Tier, Series C, 5.00%, 8/15/34	1,780	1,951,645
City of Houston Texas Utility System, Refunding RB:		
Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35	5,700	6,752,505
Combined 1st Lien, Series A (AGC), 5.38%, 11/15/38	3,650	4,150,963
Series A (AGM), 5.00%, 11/15/36	10,000	10,868,300
City of San Antonio Texas Public Service Board, RB, Junior Lien, 5.00%, 2/01/38	1,450	1,613,140
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 9/15/36 (a)	5,810	2,241,672
	Par	
	(000)	Value
Municipal Bonds		
Texas (continued)		
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Cook Children's Medical Center, 5.25%, 12/01/39	\$ 2,095	\$ 2,406,673
Dallas ISD, GO, School Building (PSF-GTD), 6.38%, 2/15/18 (b)	10,000	11,505,200
Dallas-Fort Worth International Airport, ARB:		
Joint Improvement, Series D, AMT, 5.00%, 11/01/38	12,580	13,510,039
Series F, 5.00%, 11/01/35	5,000	5,430,800
Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33	2,745	3,161,005
Grand Prairie ISD, GO, Refunding, 0.00%, 8/15/28 (a)	10,000	4,890,000
Judson ISD Texas, GO, School Building (AGC), 5.00%, 2/01/37	10,000	10,611,900
Leander ISD, GO, CAB, Refunding, Series D, 0.00%, 8/15/38 (a)	9,685	3,498,028
North Texas Tollway Authority, RB, Series B, 0.00%, 9/01/43 (a)	36,000	8,031,600
North Texas Tollway Authority, Refunding RB, System:		
1st Tier Series A, 6.00%, 1/01/28	6,275	7,284,208
1st Tier Series B (NPFGC), 5.75%, 1/01/40	10,000	11,074,500
Series A (NPFGC), 5.13%, 1/01/28	20,000	21,725,200
San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project, CAB (a):		
0.00%, 9/15/35	680	268,750
0.00%, 9/15/36	12,195	4,545,564
0.00%, 9/15/37	8,730	3,060,302
Texas Municipal Gas Acquisition & Supply Corp. III, RB:		
5.00%, 12/15/31	1,665	1,823,808
5.00%, 12/15/32	5,565	6,072,472

Schedule of Investments (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Texas (concluded)		
Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series A, 5.00%, 8/15/41	\$ 13,435	\$ 14,712,265
		161,190,539
Utah 1.8%		
Utah Transit Authority, Refunding RB, CAB (a):		
Sub-Series A (AGC), 0.00%, 6/15/20	10,000	8,489,700
Sub-Series A (NPFGC), 0.00%, 6/15/24	13,930	9,687,340
		18,177,040
Vermont 0.0%		
Vermont HFA, Refunding RB, Multiple Purpose, S/F Housing, Series C, AMT (AGM), 5.50%, 11/01/38	440	444,158
Washington 1.0%		
Washington Health Care Facilities Authority, RB:		
MultiCare Health System, Remarketing, Series B, 5.00%, 8/15/44	1,000	1,078,390
Providence Health & Services, Series A, 5.25%, 10/01/39	2,725	3,035,078
Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36	5,400	6,205,950
		10,319,418
Wisconsin 0.4%		