

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

Form N-Q

December 21, 2018

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: 07/31/2019

Date of reporting period: 10/31/2018

Item 1 Schedule of Investments

Schedule of Investments (unaudited)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| | <i>Par</i> | |
|--|--------------|---------------|
| | <i>(000)</i> | <i>Value</i> |
| <i>Security</i> | | |
| Municipal Bonds 119.9% | | |
| Alabama 2.8% | | |
| Auburn University, RB, Series A, 5.00%, 06/01/48 | \$ 11,385 | \$ 12,559,818 |
| Birmingham-Jefferson Civic Center Authority, Special Tax Bonds, Series A, 4.00%, 07/01/43 | 4,000 | 3,877,680 |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 06/01/19 ^(a) | 3,605 | 3,688,384 |
| County of Tuscaloosa Board of Education, RB, Special Tax School Warrants, 5.00%, 02/01/43 | 2,485 | 2,707,134 |
| Homewood Educational Building Authority, Refunding RB, Educational Facilities, Samford University, Series A, 5.00%, 12/01/47 | 2,835 | 3,024,236 |
| | | 25,857,252 |
| Alaska 1.5% | | |
| Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41 | 2,690 | 2,874,668 |
| Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC) ^(a) : 6.00%, 09/01/19 | 10,150 | 10,484,138 |
| | | 13,358,806 |
| Arizona 1.4% | | |
| City of Phoenix Civic Improvement Corp., RB, Senior Lien, AMT, 5.00%, 07/01/43 ^(b) | 8,500 | 9,256,160 |
| State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27 | 3,075 | 3,152,982 |
| | | 12,409,142 |
| California 8.7% | | |
| California Health Facilities Financing Authority, RB: St. Joseph Health System, Series A, 5.75%, 07/01/39 | 1,550 | 1,589,029 |
| Sutter Health, Series B, 5.88%, 08/15/20 ^(a) | 3,200 | 3,424,576 |
| California Health Facilities Financing Authority, Refunding RB: Kaiser Permanente, Sub-Series A-2, 5.00%, 11/01/47 | 1,625 | 1,956,175 |
| St. Joseph Health System, Series A, 5.00%, 07/01/37 | 2,965 | 3,219,842 |
| | <i>Par</i> | |
| <i>Security</i> | | |
| California (continued) | <i>(000)</i> | <i>Value</i> |
| | \$ 4,030 | \$ 4,265,392 |

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| | | |
|---|--------|-----------|
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 04/01/42 | | |
| City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International Airport SJC, AMT: | | |
| Series A, 5.00%, 03/01/36 | 1,160 | 1,275,060 |
| Series A, 5.00%, 03/01/37 | 1,275 | 1,398,586 |
| Series A-1, 5.75%, 03/01/34 | 2,300 | 2,460,563 |
| County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 03/01/21 ^(a) | 1,830 | 1,999,312 |
| Dublin Unified School District California, GO, CAB, Election of 2004, Series D, 0.00%, 08/01/34 ^(c) | 5,000 | 1,915,100 |
| Grossmont California Union High School District, GO, CAB, Election of 2004, 0.00%, 08/01/31 ^(c) | 5,110 | 3,202,284 |
| Long Beach Unified School District, GO, CAB, Election of 2008, Series B, 0.00%, 08/01/34 ^(c) | 5,000 | 2,692,300 |
| Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 6.25%, 08/01/43 ^(d) | 3,975 | 3,150,943 |
| Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 08/01/38 ^(c) | 7,620 | 3,184,017 |
| Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement, Election of 2008, Series B ^(c) : | | |
| 0.00%, 08/01/35 | 7,820 | 4,002,198 |
| 0.00%, 08/01/36 | 10,000 | 4,849,300 |
| Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C ^(c) : | | |
| 0.00%, 08/01/37 | 8,000 | 3,703,920 |
| 0.00%, 08/01/38 | 12,940 | 5,683,636 |
| San Diego California Unified School District, GO, CAB, Election of 2008, Series G ^(c) : | | |
| 0.00%, 07/01/34 | 1,860 | 901,821 |
| 0.00%, 07/01/35 | 1,970 | 898,615 |
| 0.00%, 07/01/36 | 2,960 | 1,270,343 |
| 0.00%, 07/01/37 | 1,975 | 797,742 |
| San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 07/01/31 ^(c) | 3,485 | 2,187,883 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par</i> | <i>Value</i> |
|---|--------------|--------------|
| | <i>(000)</i> | |
| California (continued) | | |
| San Marcos Unified School District, GO, Election of 2010, Series A ^(a) : | | |
| 5.00%, 08/01/21 | \$ 1,800 | \$ 1,948,122 |
| 5.00%, 08/01/21 | 1,600 | 1,731,664 |
| State of California, GO, Refunding, Various Purposes: | | |
| 5.00%, 09/01/41 | 2,700 | 2,893,968 |
| 5.00%, 10/01/41 | 2,555 | 2,743,074 |
| State of California, GO, Series 2007-2 (NPFGC), 5.50%, 04/01/30 | 10 | 10,030 |
| State of California Public Works Board, LRB, Various Capital Projects, Series I, | | |
| 5.00%, 11/01/38 | 5,040 | 5,494,759 |
| State of California University, RB, Systemwide, Series A, 5.50%, 05/01/19 ^(a) | 1,525 | 1,554,341 |
| Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 0.00%, 08/01/36 ^(c) | 6,545 | 3,075,757 |
| | | 79,480,352 |
| Colorado 0.8% | | |
| Denver Convention Center Hotel Authority, Refunding RB, 5.00%, 12/01/36 | 1,500 | 1,594,140 |
| Regional Transportation District, COP, Series A, 5.00%, 06/01/39 | 5,655 | 6,077,881 |
| | | 7,672,021 |
| Florida 8.8% | | |
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/42 | 4,000 | 4,454,160 |
| County of Brevard Florida Health Facilities Authority, Refunding RB, Health First, Inc. Project, 5.00%, 04/01/39 | 4,535 | 4,801,159 |
| County of Broward Florida Airport System Revenue, RB, Series A, AMT, 5.00%, 10/01/40 | 3,000 | 3,224,550 |
| County of Highlands Florida Health Facilities Authority, RB, Adventist Health System/Sunbelt Obligated Group: | | |
| 6.00%, 11/15/19 ^(a) | 5 | 5,203 |
| 6.00%, 11/15/37 | 1,745 | 1,813,823 |
| County of Lee Florida, Refunding ARB, Series A, AMT: | | |
| 5.63%, 10/01/26 | 2,600 | 2,791,074 |
| 5.38%, 10/01/32 | 3,440 | 3,661,398 |
| | <i>Par</i> | |
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |
| Florida (continued) | | |
| County of Miami-Dade Florida, RB, Seaport: Department, Series A, 6.00%, 10/01/38 | \$ 5,695 | \$ 6,398,048 |
| Department, Series B, AMT, 6.25%, 10/01/38 | 1,165 | 1,313,491 |
| Department, Series B, AMT, 6.00%, 10/01/42 | 1,865 | 2,086,245 |
| Series B, AMT, 6.00%, 10/01/30 | 1,820 | 2,050,849 |
| County of Miami-Dade Florida Aviation, Refunding ARB, AMT, 5.00%, 10/01/34 | 530 | 572,707 |

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| | | |
|---|--------|------------|
| County of Miami-Dade Florida Aviation, Refunding RB, Series B, AMT, 5.00%, 10/01/40 | 6,500 | 7,008,430 |
| County of Miami-Dade Florida Educational Facilities Authority, RB, University of Miami, Series A, 5.00%, 04/01/40 | 14,360 | 15,493,291 |
| County of Miami-Dade Florida Health Facilities Authority, Refunding RB, Nicklaus Children's Hospital Project, 5.00%, 08/01/42 | 1,675 | 1,805,198 |
| County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project: 5.00%, 08/01/41 | 1,550 | 1,643,806 |
| 5.00%, 08/01/47 | 4,590 | 4,849,060 |
| County of Palm Beach Florida Solid Waste Authority, Refunding RB, Series B: 5.00%, 10/01/21 ^(a) | 50 | 53,812 |
| 5.00%, 10/01/31 | 3,050 | 3,268,258 |
| County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 07/01/19 ^(a) | 5,135 | 5,257,367 |
| Greater Orlando Aviation Authority, ARB, Priority Sub-Series A, AMT, 5.00%, 10/01/42 | 4,760 | 5,121,189 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| | <i>Par</i> | |
|---|--------------|--------------|
| | <i>(000)</i> | <i>Value</i> |
| <i>Security</i> | | |
| Florida (continued) | | |
| South Miami Health Facilities Authority, Refunding RB, Baptist Health South Florida Obligated Group, 5.00%, 08/15/42 | \$ 2,965 | \$ 3,240,093 |
| | | 80,913,211 |
| Georgia 0.4% | | |
| County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A (GTD), 5.50%, 08/15/54 | 1,405 | 1,568,121 |
| Private Colleges & Universities Authority, RB, Savannah College of Art & Design: 5.00%, 04/01/33 | 395 | 422,571 |
| 5.00%, 04/01/44 | 1,775 | 1,869,412 |
| | | 3,860,104 |
| Hawaii 1.3% | | |
| State of Hawaii Airports System Revenue, ARB, Series A, AMT, 5.00%, 07/01/43 | 2,385 | 2,594,427 |
| State of Hawaii Department of Budget & Finance, Refunding RB, Hawaiian Electric Co., Inc. AMT, 4.00%, 03/01/37 | 5,275 | 4,985,719 |
| State of Hawaii Department of Transportation, COP, AMT: 5.00%, 08/01/27 | 2,000 | 2,153,640 |
| 5.00%, 08/01/28 | 1,775 | 1,905,693 |
| | | 11,639,479 |
| Illinois 13.3% | | |
| City of Chicago Illinois, Refunding GARB, O Hare International Airport, AMT, Series B, 5.00%, 01/01/31 | 2,425 | 2,559,733 |
| City of Chicago Illinois Midway International Airport, Refunding ARB, 2nd Lien, Series A, AMT, 5.00%, 01/01/34 | 3,035 | 3,230,515 |
| City of Chicago Illinois O Hare International Airport, GARB: 3rd Lien, Series A, 5.75%, 01/01/21 ^(a) | 7,555 | 8,123,438 |
| 3rd Lien, Series A, 5.75%, 01/01/39 | 1,445 | 1,531,339 |
| Senior Lien, Series D, 5.25%, 01/01/42 | 8,285 | 9,090,551 |
| Senior Lien, Series D, AMT, 5.00%, 01/01/42 | 2,865 | 3,036,098 |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36 | 1,620 | 1,703,025 |
| | <i>Par</i> | |
| <i>Security</i> | | |
| Illinois (continued) | | |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago, 5.13%, 12/01/38 | \$ 3,250 | \$ 3,323,450 |
| | 615 | 634,877 |

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| | | |
|--|--------|-------------|
| County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37 | | |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 08/15/34 | 8,700 | 9,344,148 |
| Illinois Finance Authority, Refunding RB: | | |
| Northwestern Memorial Hospital, Series A, 6.00%, 08/15/19 ^(a) | 5,250 | 5,412,382 |
| Silver Cross Hospital & Medical Centers, Series C, 5.00%, 08/15/44 | 985 | 1,029,867 |
| Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Expansion Project, Series A (NPFGC) ^(c) : | | |
| 0.00%, 12/15/26 | 8,500 | 6,012,475 |
| 0.00%, 06/15/32 | 14,000 | 7,250,600 |
| 0.00%, 12/15/33 | 20,000 | 9,549,000 |
| 0.00%, 12/15/34 | 41,880 | 18,892,068 |
| Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM), | | |
| 0.00%, 06/15/44 ^(c) | 9,430 | 2,687,644 |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 06/01/21 ^(a) | 1,700 | 1,856,689 |
| Regional Transportation Authority, RB, Series C (NPFGC), 7.75%, 06/01/20 | 385 | 406,575 |
| State of Illinois, GO: | | |
| 5.25%, 07/01/29 | 3,160 | 3,300,399 |
| 5.25%, 02/01/33 | 5,860 | 6,035,331 |
| 5.50%, 07/01/33 | 2,235 | 2,356,763 |
| 5.25%, 02/01/34 | 5,360 | 5,510,348 |
| 5.50%, 07/01/38 | 1,200 | 1,254,516 |
| State of Illinois Toll Highway Authority, RB, Series A, 5.00%, 01/01/42 | 6,940 | 7,528,720 |
| | | 121,660,551 |
| Indiana 2.3% | | |
| Indiana Finance Authority, RB, Series A: | | |
| CWA Authority Project, 1st Lien, 5.25%, 10/01/38 | 2,900 | 3,099,926 |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 07/01/44 | 1,400 | 1,465,632 |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 01/01/19 ^(a) | 5,000 | 5,034,000 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par</i> | <i>Value</i> |
|---|--------------|--------------|
| | <i>(000)</i> | |
| Indiana (continued) | | |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A: | | |
| 5.75%, 01/01/19 ^(a) | \$ 565 | \$ 568,616 |
| 5.75%, 01/01/38 | 2,335 | 2,349,360 |
| (AGC), 5.25%, 01/01/19 ^(a) | 265 | 266,481 |
| (AGC), 5.50%, 01/01/19 ^(a) | 830 | 834,972 |
| (AGC), 5.25%, 01/01/29 | 1,085 | 1,090,783 |
| (AGC), 5.50%, 01/01/38 | 3,420 | 3,439,631 |
| State of Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 07/01/40 | 2,425 | 2,546,056 |
| | | 20,695,457 |
| Iowa 2.1% | | |
| Iowa Finance Authority, RB, Iowa Health Care Facilities, Series A (AGC), 5.63%, 08/15/19 ^(a) | 12,650 | 13,004,453 |
| Iowa Student Loan Liquidity Corp., RB, Senior Series A-2, AMT: | | |
| 5.60%, 12/01/26 | 1,645 | 1,693,001 |
| 5.70%, 12/01/27 | 1,640 | 1,686,969 |
| 5.75%, 12/01/28 | 870 | 894,473 |
| 5.80%, 12/01/29 | 1,110 | 1,139,837 |
| 5.85%, 12/01/30 | 1,155 | 1,185,746 |
| | | 19,604,479 |
| Kentucky 2.0% | | |
| Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.38%, 01/01/40 | 1,000 | 1,056,130 |
| Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C, 6.60%, 07/01/39 ^(d) | 8,225 | 7,527,026 |
| State of Kentucky Property & Building Commission, Refunding RB, Project No. 93 (AGC): | | |
| 5.25%, 02/01/19 ^(a) | 8,860 | 8,933,361 |
| 5.25%, 02/01/19 ^(a) | 685 | 690,761 |
| 5.25%, 02/01/28 | 455 | 458,572 |
| | | 18,665,850 |
| Louisiana 2.1% | | |
| City of New Orleans Louisiana Aviation Board, ARB, Series B, AMT, 5.00%, 01/01/40 | 4,825 | 5,110,351 |
| | <i>Par</i> | |
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |
| Louisiana (continued) | | |

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| | | |
|---|----------|--------------|
| City of Shreveport Louisiana Water & Sewer Revenue, RB, Series A (AGM), 5.00%, 12/01/41 | \$ 1,645 | \$ 1,795,353 |
| Jefferson Sales Tax District, RB, Series B (AGM): | | |
| 5.00%, 12/01/34 | 670 | 750,353 |
| 5.00%, 12/01/35 | 895 | 998,641 |
| 5.00%, 12/01/36 | 805 | 894,910 |
| 5.00%, 12/01/37 | 1,005 | 1,117,249 |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, East Baton Rouge Sewerage Commission Projects, Series A, 5.00%, 02/01/44 | 8,155 | 8,817,512 |
| | | 19,484,369 |
| Massachusetts 1.8% | | |
| Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A, 5.00%, 01/01/47 | 5,950 | 6,233,875 |
| Massachusetts Development Finance Agency, Refunding RB, Emmanuel College Issue, Series A, 5.00%, 10/01/43 | 320 | 335,318 |
| Massachusetts HFA, RB, M/F Housing, Series B, 7.00%, 12/01/38 | 3,150 | 3,156,741 |
| Massachusetts HFA, Refunding RB, AMT: | | |
| Series A, 4.45%, 12/01/42 | 2,235 | 2,268,033 |
| Series C, 5.35%, 12/01/42 | 1,000 | 1,004,290 |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A, 5.00%, 05/15/43 | 3,495 | 3,792,425 |
| | | 16,790,682 |
| Michigan 5.4% | | |
| City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM), 6.25%, 07/01/19 ^(a) | 1,075 | 1,105,380 |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 07/01/41 | 3,185 | 3,427,092 |
| County of Wayne Airport Authority, Refunding RB, AMT (AGC), 5.38%, 12/01/32 | 5,000 | 5,011,350 |
| Michigan Finance Authority, Refunding RB: | | |
| Henry Ford Health System, 3.25%, 11/15/42 | 2,505 | 2,054,325 |
| Hospital; Trinity Health Credit Group, 5.00%, 12/01/39 | 16,040 | 16,909,047 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

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| | <i>Par</i> | |
|---|--------------|---------------|
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |
| Michigan (continued) | | |
| Michigan Finance Authority, Refunding RB (continued): | | |
| Trinity Health Credit Group, 5.00%, 12/01/21 ^(a) | \$ 60 | \$ 64,828 |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, Beaumont Health Credit Group, Series D, 5.00%, 09/01/39 | 1,330 | 1,418,192 |
| State of Michigan Building Authority, Refunding RB, Facilities Program: | | |
| Series I (AGC), 5.25%, 10/15/24 | 1,750 | 1,801,205 |
| Series I (AGC), 5.25%, 10/15/25 | 3,250 | 3,344,152 |
| Series I-A, 5.38%, 10/15/36 | 2,075 | 2,236,394 |
| Series I-A, 5.38%, 10/15/41 | 1,900 | 2,041,607 |
| Series II-A (AGM), 5.25%, 10/15/36 | 8,040 | 8,670,256 |
| Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39 | 1,080 | 1,182,362 |
| | | 49,266,190 |
| Minnesota 0.6% | | |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC): | | |
| 6.50%, 11/15/18 ^(a) | 845 | 846,420 |
| 6.50%, 11/15/38 | 4,655 | 4,662,820 |
| | | 5,509,240 |
| Missouri 0.6% | | |
| State of Missouri Health & Educational Facilities Authority, Refunding RB, Series C, 5.00%, 11/15/42 | | |
| | 5,000 | 5,439,250 |
| Nebraska 0.8% | | |
| Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.25%, 09/01/37 | | |
| | 6,825 | 7,394,478 |
| Nevada 3.4% | | |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 04/01/19 ^(a) | | |
| | 2,250 | 2,287,890 |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A: 5.25%, 07/01/42 | | |
| | 2,000 | 2,063,560 |
| (AGM), 5.25%, 07/01/39 | 5,170 | 5,336,112 |
| | <i>Par</i> | |
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |
| Nevada (continued) | | |
| Las Vegas Convention & Visitors Authority, RB, Convention Center Expansion, Series B, 5.00%, 07/01/43 | | |
| | \$ 20,000 | \$ 21,672,400 |
| | | 31,359,962 |

New Jersey 10.4%

New Jersey EDA, RB:

| | | |
|---|--------|-----------|
| Goethals Bridge Replacement Project, AMT, Private Activity Bond, 5.38%, 01/01/43 | 4,920 | 5,263,318 |
| Goethals Bridge Replacement Project, AMT, Private Activity Bond, 5.13%, 01/01/34 | 1,930 | 2,053,443 |
| School Facilities Construction Bonds, Series DDD, 5.00%, 06/15/42 | 590 | 609,151 |
| Series WW, 5.25%, 06/15/33 | 445 | 473,057 |
| Series WW, 5.00%, 06/15/34 | 570 | 596,425 |
| Series WW, 5.00%, 06/15/36 | 2,635 | 2,741,691 |
| Series WW, 5.25%, 06/15/40 | 1,025 | 1,079,325 |
| New Jersey EDA, Refunding RB, School Facilities Construction: | | |
| Series N-1 (AMBAC), 5.50%, 09/01/24 | 6,325 | 7,089,313 |
| Series N-1 (NPFGC), 5.50%, 09/01/28 | 1,685 | 1,941,963 |
| New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT: | | |
| 5.50%, 12/01/25 | 630 | 661,771 |
| 5.50%, 12/01/26 | 910 | 953,999 |
| 5.75%, 12/01/28 | 100 | 105,229 |
| 5.88%, 12/01/33 | 6,895 | 7,249,610 |
| New Jersey Housing & Mortgage Finance Agency, Refunding RB, M/F Housing, Series 2, AMT, 4.35%, 11/01/33 | 2,645 | 2,688,669 |
| New Jersey Transportation Trust Fund Authority, RB: | | |
| CAB, Transportation System, Series A, 0.00%, 12/15/35 ^(c) | 18,525 | 8,088,015 |
| CAB, Transportation System, Series C (AGC) (AMBAC), 0.00%, 12/15/25 ^(c) | 8,550 | 6,599,659 |
| Federal Highway Reimbursement Revenue Notes, Series A, 5.00%, 06/15/28 | 4,205 | 4,617,595 |
| Federal Highway Reimbursement Revenue Notes, Series A, 5.00%, 06/15/29 | 2,145 | 2,341,975 |
| Transportation Program, Series AA, 5.25%, 06/15/33 | 4,150 | 4,402,569 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| New Jersey (continued) | | |
| New Jersey Transportation Trust Fund Authority, RB (continued): | | |
| Transportation Program, Series AA, 5.00%, 06/15/38 | \$ 3,990 | \$ 4,125,899 |
| Transportation System, Series A, 5.50%, 06/15/41 | 2,980 | 3,110,345 |
| Transportation System, Series A (NPFGC), 5.75%, 06/15/25 | 4,000 | 4,591,120 |
| Transportation System, Series AA, 5.50%, 06/15/39 | 5,625 | 5,967,675 |
| Transportation System, Series B, 5.50%, 06/15/31 | 1,000 | 1,052,160 |
| Transportation System, Series B, 5.00%, 06/15/42 | 2,575 | 2,645,426 |
| Transportation System, Series D, 5.00%, 06/15/32 | 1,825 | 1,923,112 |
| New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System, Series A: | | |
| 5.00%, 12/15/36 | 955 | 1,000,554 |
| (BAM), 4.00%, 12/15/37 | 5,750 | 5,629,308 |
| Tobacco Settlement Financing Corp., Refunding RB, Series A: | | |
| 5.00%, 06/01/46 | 4,000 | 4,128,960 |
| 5.25%, 06/01/46 | 1,035 | 1,094,005 |
| | | 94,825,341 |
| New Mexico 0.1% | | |
| New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 08/01/44 | | |
| | 1,040 | 1,122,597 |
| New York 5.2% | | |
| City of New York Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 01/15/34 | | |
| | 7,250 | 7,304,230 |
| City of New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32 | | |
| | 4,150 | 4,502,833 |
| City of New York Transitional Finance Authority Future Tax Secured, RB, Future Tax Secured, Sub-Series F-1, 5.00%, 05/01/39 | | |
| | 3,360 | 3,709,507 |
| City of New York Transitional Finance Authority Future Tax Secured Revenue, RB, Future Tax Secured Subordinate Bond, Sub-Series C-3, 5.00%, 05/01/41 | | |
| | 5,000 | 5,554,600 |
| Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012: | | |
| 5.75%, 02/15/21 ^(a) | 1,190 | 1,286,973 |
| 5.75%, 02/15/47 | 730 | 781,188 |
| | <i>Par (000)</i> | <i>Value</i> |
| New York (continued) | | |

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| | | |
|---|-----------|---------------|
| Metropolitan Transportation Authority, Refunding RB, Series B, 5.00%, 11/15/37 | \$ 11,500 | \$ 12,581,115 |
| New York Transportation Development Corp., ARB, LaGuardia Airport Terminal B Redevelopment Project, Series A, AMT, 5.25%, 01/01/50 | 8,300 | 8,734,754 |
| State of New York Dormitory Authority, ERB, Series B, 5.25%, 03/15/19 ^(a) | 3,250 | 3,291,112 |
| | | 47,746,312 |
| Ohio 3.1% | | |
| American Municipal Power, Inc., RB, Combined Hydroelectric Projects, Series A, 5.00%, 02/15/41 | 4,000 | 4,284,360 |
| American Municipal Power, Inc., Refunding RB, Combined Hydroelectric Projects, Series A, 5.00%, 02/15/38 | 3,055 | 3,294,298 |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/21 ^(a) | 3,000 | 3,368,370 |
| County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38 | 11,135 | 11,963,221 |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 02/15/32 | 1,950 | 2,142,446 |
| 5.25%, 02/15/33 | 2,730 | 2,997,103 |
| | | 28,049,798 |
| Oregon 0.3% | | |
| Clackamas Community College District, GO, Convertible Deferred Interest Bonds, Series A, 5.00%, 06/15/38 ^(d) | 425 | 432,029 |
| County of Clackamas Community College District, GO, Convertible Deferred Interest Bonds, Series A, 5.00%, 06/15/39 ^(d) | 395 | 400,629 |
| County of Clackamas Oregon Community College District, GO, Convertible Deferred Interest Bonds, Series A, 5.00%, 06/15/40 ^(d) | 420 | 425,023 |
| County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 ^(c) | 2,800 | 1,218,084 |
| | | 2,475,765 |
| Pennsylvania 8.3% | | |
| Commonwealth Financing Authority, RB: Series B, 5.00%, 06/01/42 | 3,305 | 3,498,937 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| Pennsylvania (continued) | | |
| Commonwealth Financing Authority, RB (continued): | | |
| Tobacco Master Settlement Payment, 5.00%, 06/01/34 | \$ 2,180 | \$ 2,386,533 |
| Pennsylvania Economic Development Financing Authority, RB: | | |
| AMT, 5.00%, 06/30/42 | 8,805 | 9,197,351 |
| PA Bridges Finco LP, AMT, 5.00%, 12/31/34 | 7,115 | 7,560,826 |
| Pennsylvania Rapid Bridge Replacement, 5.00%, 12/31/38 | 6,850 | 7,187,157 |
| Pennsylvania Economic Development Financing Authority, Refunding RB, Series A, 4.00%, 11/15/42 | 12,945 | 12,574,514 |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 09/01/50 | 8,075 | 8,799,005 |
| Pennsylvania Turnpike Commission, RB: | | |
| Series A, 5.00%, 12/01/38 | 1,775 | 1,911,586 |
| Series A-1, 5.00%, 12/01/41 | 2,320 | 2,504,974 |
| Series B, 5.00%, 12/01/40 | 920 | 992,689 |
| Series C, 5.50%, 12/01/23 ^(a) | 1,565 | 1,798,138 |
| Sub-Series B-1, 5.00%, 06/01/42 | 7,330 | 7,775,664 |
| Subordinate, Special Motor License Fund, 6.00%, 12/01/20 ^(a) | 2,575 | 2,774,511 |
| Pennsylvania Turnpike Commission, Refunding RB: | | |
| Motor Licenced Fund Enhancement, Second Series, 5.00%, 12/01/41 | 3,940 | 4,262,371 |
| Series A-1, 5.00%, 12/01/40 | 2,165 | 2,325,383 |
| | | 75,549,639 |
| Rhode Island 1.8% | | |
| Rhode Island Commerce Corp., RB, Airport Corp., Series D, 5.00%, 07/01/41 | 495 | 530,408 |
| Rhode Island Health & Educational Building Corp., RB, Series A, 4.00%, 09/15/42 | 5,315 | 5,179,042 |
| Tobacco Settlement Financing Corp., Refunding RB, Series B: | | |
| 4.50%, 06/01/45 | 3,000 | 2,958,690 |
| 5.00%, 06/01/50 | 7,465 | 7,653,939 |
| | | 16,322,079 |
| South Carolina 5.0% | | |
| South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 08/01/21 ^(a) | 3,600 | 4,008,276 |
| | <i>Par (000)</i> | <i>Value</i> |
| South Carolina (continued) | | |
| South Carolina Ports Authority, ARB, AMT, 5.00%, 07/01/38 | \$ 3,380 | \$ 3,679,637 |
| State of South Carolina Ports Authority, RB, AMT, 5.25%, 07/01/50 | 6,530 | 7,054,555 |
| State of South Carolina Public Service Authority, RB: | | |

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| | | |
|--|--------|------------|
| Santee Cooper, Series A, 5.50%, 12/01/54 | 9,350 | 9,905,857 |
| Series E, 5.50%, 12/01/53 | 7,025 | 7,409,057 |
| State of South Carolina Public Service Authority, Refunding RB, Series B: | | |
| Santee Cooper, 5.00%, 12/01/38 | 5,870 | 6,104,448 |
| (AGM), 5.00%, 12/01/56 | 7,155 | 7,583,799 |
| | | 45,745,629 |
| Texas 15.6% | | |
| City of Dallas TX Waterworks & Sewer System Revenue, Refunding RB, Series C, 4.00%, 10/01/43 | 5,000 | 4,984,200 |
| City of Houston Texas Combined Utility System, Refunding RB, Combined 1st Lien, Series A (AGC) ^(a) : | | |
| 6.00%, 05/15/19 | 5,400 | 5,516,910 |
| 6.00%, 05/15/19 | 300 | 306,576 |
| City of Houston Texas Combined Utility System Revenue, Refunding RB, 1st Lien: | | |
| Series B, 5.00%, 11/15/36 | 5,000 | 5,532,400 |
| Combined Series A (AGC), 5.38%, 05/15/19 ^(a) | 3,460 | 3,523,422 |
| Combined Series A (AGC), 5.38%, 05/15/19 ^(a) | 190 | 193,534 |
| City of San Antonio Texas Electric & Gas Revenue, Refunding RB, 5.00%, 02/01/42 | 7,450 | 8,199,321 |
| City of San Antonio Texas Electric & Gas Revenue, RB, Junior Lien, 5.00%, 02/01/38 | 1,450 | 1,560,577 |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 09/15/36 ^(c) | 5,810 | 2,710,016 |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Cook Children s Medical Center, 5.25%, 12/01/39 | 2,095 | 2,288,683 |
| Dallas-Fort Worth International Airport, ARB, Joint Improvement, Series D, AMT, 5.00%, 11/01/38 | 10,980 | 11,454,336 |
| Dallas-Fort Worth International Airport, Refunding ARB, Series F: | | |
| 5.25%, 11/01/33 | 2,745 | 3,018,951 |
| 5.00%, 11/01/35 | 5,000 | 5,178,700 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par</i> <i>(000)</i> | <i>Value</i> |
|---|----------------------------|--------------|
| Texas (continued) | | |
| Grand Parkway Transportation Corp., RB, Subordinate Tier Toll Revenue Bonds, TELA Supported, Series A, 5.00%, 10/01/43 | \$ 7,940 | \$ 8,767,268 |
| Leander ISD, GO, Refunding, CAB, Series D (PSF-GTD), 0.00%, 08/15/38 ^(c) | 9,685 | 4,099,951 |
| North Texas Tollway Authority, RB, CAB, Special Project System, Series B, 0.00%, 09/01/31 ^{(a)(c)} | 18,100 | 4,828,537 |
| North Texas Tollway Authority, Refunding RB: 1st Tier System, Series A, 6.00%, 01/01/19 ^(a) | 5,100 | 5,133,252 |
| 1st Tier System, Series A, 6.00%, 01/01/28 | 1,175 | 1,182,109 |
| 1st Tier-Series A, 5.00%, 01/01/43 | 7,000 | 7,644,560 |
| 2nd Tier-Series B, 5.00%, 01/01/43 | 9,370 | 10,063,942 |
| Series B, 5.00%, 01/01/40 | 1,710 | 1,828,349 |
| San Antonio Independent School District, GO (PSF-GTD), 5.00%, 08/15/43 | 9,000 | 9,837,180 |
| San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing & Expansion Project, CAB ^(c) : 0.00%, 09/15/35 | 680 | 313,997 |
| 0.00%, 09/15/36 | 12,195 | 5,302,752 |
| 0.00%, 09/15/37 | 8,730 | 3,569,872 |
| Texas Municipal Gas Acquisition & Supply Corp. III, RB, Natural Gas Utility Improvements: 5.00%, 12/15/31 | 1,665 | 1,769,162 |
| 5.00%, 12/15/32 | 3,930 | 4,169,651 |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, AMT, Blueridge Transportation Group, 5.00%, 12/31/45 | 3,630 | 3,794,149 |
| Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series A, 5.00%, 08/15/41 | 11,345 | 11,967,727 |
| Texas Water Development Board, RB, State Water Implementation Fund, Series B, 4.00%, 10/15/43 | 4,315 | 4,287,945 |
| | | 143,028,029 |
| Utah 1.2% | | |
| Salt Lake City Corp. Airport Revenue, ARB, Series A, AMT, 5.00%, 07/01/42 | 3,490 | 3,753,809 |
| | <i>Par</i> <i>(000)</i> | <i>Value</i> |
| <i>Security</i> | | |
| Utah (continued) | | |
| Salt Lake City Corp. Airport Revenue, RB, AMT, Series A: 5.00%, 07/01/37 | \$ 3,475 | \$ 3,794,770 |
| 5.00%, 07/01/43 | 3,190 | 3,459,427 |
| | | 11,008,006 |
| Washington 5.8% | | |

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| | | |
|---|--------|------------|
| Port of Seattle Washington, ARB, AMT, Series A, 5.00%, 05/01/38 | 20,000 | 21,713,800 |
| Port of Seattle Washington, RB, Intermediate Lien, Series C, AMT, 5.00%, 04/01/40 | 2,830 | 3,029,939 |
| State of Washington Convention Center Public Facilities District, RB, Civic Convention Center, 5.00%, 07/01/38 | 9,260 | 10,143,404 |
| Washington Health Care Facilities Authority, RB: | | |
| MultiCare Health System, Remarketing, Series B, 5.00%, 08/15/44 | 1,000 | 1,079,220 |
| Providence Health & Services, Series A, 5.25%, 10/01/39 | 2,725 | 2,821,465 |
| Washington Health Care Facilities Authority, Refunding RB: | | |
| Catholic Health Initiatives, Series D, 6.38%, 10/01/36 | 5,400 | 5,416,362 |
| Multicare Health System, Series B, 4.00%, 08/15/41 | 9,000 | 8,801,820 |
| | | 53,006,010 |
| West Virginia 0.5% | | |
| State of West Virginia, GO, State Road, Series B, Group 2, 4.00%, 12/01/42 | 5,000 | 4,938,900 |
| Wisconsin 2.5% | | |
| Public Finance Authority, RB, KU Campus Development Corp., Central District Development Project, 5.00%, 03/01/46 | 560 | 596,344 |
| State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33 | 3,745 | 3,840,123 |
| Wisconsin Health & Educational Facilities Authority, Refunding RB: | | |
| Ascension Health Credit Group, Series A, 5.00%, 11/15/35 | 5,000 | 5,486,050 |
| Ascension Health, Senior Credit, Series A, 5.00%, 11/15/36 | 4,815 | 5,263,036 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|---------------|
| Wisconsin (continued) | | |
| Wisconsin Health & Educational Facilities Authority, Refunding RB (continued): | | |
| Milwaukee Regional Medical Center Thermal Service, 5.00%, 04/01/44 ^(b) | \$ 7,350 | \$ 8,039,871 |
| | | 23,225,424 |
| Total Municipal Bonds 119.9% | | |
| (Cost \$1,063,248,223) | | 1,098,104,404 |
| Municipal Bonds Transferred to Tender Option Bond Trusts^(e) | | |
| California 4.2% | | |
| City of Riverside California Electric Revenue, RB, Issue D (AGM), 5.00%, 10/01/38 | 17,685 | 17,865,866 |
| Los Angeles California Unified School District, GO, Election of 2008, Series B-1, 5.25%, 07/01/42 ^(f) | 7,074 | 8,121,168 |
| Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 08/01/19 ^(a) | 5,248 | 5,414,225 |
| San Diego California Community College District, GO, Election of 2002, 5.25%, 08/01/19 ^(a) | 1,047 | 1,074,081 |
| State of California, GO, Refunding, Various Purpose, 5.25%, 10/01/39 | 3,000 | 3,390,290 |
| University of California, RB, Series O, 5.75%, 05/15/19 ^(a) | 2,206 | 2,252,677 |
| | | 38,118,307 |
| Colorado 1.0% | | |
| City & County of Denver Colorado Airport System Revenue, Refunding ARB, Sub-System, Series A, AMT, 5.25%, 12/01/43 ^(f) | 5,834 | 6,504,948 |
| | <i>Par (000)</i> | <i>Value</i> |
| Security | | |
| Colorado (continued) | | |
| Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiatives, Series A, 5.50%, 07/01/34 ^(f) | \$ 2,469 | \$ 2,523,784 |
| | | 9,028,732 |
| Connecticut 0.5% | | |
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45 | 3,932 | 4,261,295 |
| District of Columbia 0.3% | | |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 ^(f) | 2,594 | 2,684,508 |
| Florida 6.4% | | |
| City of Miami Beach Florida, RB, 5.00%, 09/01/45 | 8,760 | 9,545,137 |

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| | | |
|--|--------|------------|
| City of Miami Beach Florida Stormwater Revenue, Refunding RB, 5.00%, 09/01/41 | 10,000 | 10,987,024 |
| County of Miami-Dade Florida Transit System, Refunding RB, Sales Tax, 5.00%, 07/01/42 | 4,840 | 5,165,393 |
| County of Miami-Dade Florida Water & Sewer System, RB (AGM), 5.00%, 10/01/20 ^(a) | 11,701 | 12,332,429 |
| County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 08/01/19 ^(a) | 12,013 | 12,327,804 |
| County of Pinellas Florida School Board, COP, Master Lease Program, Series A, 5.00%, 07/01/41 | 7,880 | 8,602,517 |
| | | 58,960,304 |
| Illinois 3.5% | | |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 06/15/19 ^{(a)(f)} | 3,499 | 3,568,439 |
| State of Illinois Toll Highway Authority, RB: Senior, Series C, 5.00%, 01/01/36 | 10,000 | 10,863,129 |
| Series A, 5.00%, 01/01/38 | 5,836 | 6,233,768 |
| Series A, 5.00%, 01/01/40 | 7,621 | 8,277,680 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| Illinois (continued) | | |
| State of Illinois Toll Highway Authority, RB (continued): Series B, 5.00%, 01/01/40 | \$ 2,939 | \$ 3,167,729 |
| | | 32,110,745 |
| Kansas 1.7% | | |
| County of Wyandotte Kansas Unified School District, GO, Series A, 5.50%, 09/01/47 | 13,470 | 15,489,571 |
| Massachusetts 3.0% | | |
| Commonwealth of Massachusetts, GO: Consolidated Loan, Series E, 5.25%, 09/01/43 | 20,000 | 22,907,000 |
| Series A, 5.00%, 03/01/46 | 4,204 | 4,562,943 |
| | | 27,469,943 |
| Michigan 2.1% | | |
| Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44 | 5,591 | 5,954,054 |
| State of Michigan Building Authority, Refunding RB, Series I: Facilities Program, 5.00%, 10/15/45 | 2,410 | 2,638,649 |
| 5.00%, 04/15/38 | 10,000 | 11,002,665 |
| | | 19,595,368 |
| Nevada 2.9% | | |
| County of Clark Nevada, GO, Series A, 5.00%, 06/01/43 | 9,730 | 10,825,252 |
| County of Clark Nevada Water Reclamation District, GO, Series B ^(a) : 5.50%, 07/01/19 | 510 | 521,911 |
| 5.75%, 07/01/19 | 4,813 | 4,935,176 |
| Las Vegas Valley Water District Nevada, GO, Refunding, Water Improvement, Series A, 5.00%, 06/01/46 | 9,840 | 10,726,116 |
| | | 27,008,455 |
| New Jersey 2.1% | | |
| County of Hudson New Jersey Improvement Authority, RB, Hudson County Vocational-Technical Schools Project, 5.25%, 05/01/51 | 2,320 | 2,550,376 |
| Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28 | 10,000 | 11,543,825 |
| | <i>Par (000)</i> | <i>Value</i> |
| <i>Security</i> | | |
| New Jersey (continued) | | |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 ^(f) | \$ 4,961 | \$ 5,165,087 |
| | | 19,259,288 |

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New York 8.0%

| | | |
|--|--------|------------|
| City of New York Water & Sewer System, Refunding RB, Series DD, 5.00%, 06/15/35 | 4,740 | 5,221,726 |
| City of New York Water & Sewer System, Refunding RB, 2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 06/15/47 | 15,521 | 16,990,252 |
| Metropolitan Transportation Authority, RB, Transportation, Sub-Series D-1, 5.25%, 11/15/44 | 9,850 | 10,880,655 |
| Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56 | 4,275 | 4,669,498 |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 198th Series, 5.25%, 11/15/56 | 6,402 | 7,086,224 |
| State of New York Dormitory Authority, RB, Group B, State Sales Tax, Series A, 5.00%, 03/15/39 | 7,622 | 8,432,930 |
| State of New York Urban Development Corp., RB, Personal Income Tax, General Purpose, Series A-1, 5.00%, 03/15/43 | 14,280 | 15,402,337 |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2 ^(f) : 5.25%, 11/15/18 ^(a) | 1,684 | 1,686,055 |
| 5.25%, 11/15/34 | 2,816 | 2,819,705 |
| | | 73,189,382 |

Ohio 0.2%

| | | |
|---|-------|-----------|
| State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 01/01/34 | 1,520 | 1,528,725 |
|---|-------|-----------|

Pennsylvania 0.3%

| | | |
|--|-------|-----------|
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB (BAM), 5.00%, 08/15/42 | 2,560 | 2,753,197 |
|--|-------|-----------|

Texas 3.5%

| | | |
|---|-------|------------|
| Aldine Independent School District, GO, Refunding(PSF-GTD), 5.00%, 02/15/42 | 9,701 | 10,702,677 |
|---|-------|------------|

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|--|----------------------|---------------|
| Texas (continued) | | |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38 | \$ 1,798 | \$ 1,918,733 |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Texas Health Resources System, Series A, 5.00%, 02/15/41 | 9,840 | 10,670,275 |
| Dallas Fort Worth International Airport, ARB, Series H, AMT, 5.00%, 11/01/37 ^(f) | 8,868 | 9,258,387 |
| | | 32,550,072 |
| Virginia 1.5% | | |
| Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A, 5.50%, 07/01/57 | 11,740 | 13,526,829 |
| Washington 1.8% | | |
| Metropolitan Washington Airports Authority, Refunding ARB, Series A, AMT, 5.00%, 10/01/30 | 6,880 | 7,379,213 |
| Washington Health Care Facilities Authority, Refunding RB, Seattle Children's Hospital, Series B, 5.00%, 10/01/38 | 8,205 | 9,190,475 |
| | | 16,569,688 |
| Wisconsin 4.3% | | |
| State of Wisconsin, Refunding RB, Series A, 6.00%, 05/01/19 ^(a) | 14,780 | 15,082,177 |
| <i>Security</i> | | |
| Wisconsin (continued) | | |
| State of Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series C, 5.25%, 04/01/19 ^{(a)(f)} | \$ 7,459 | \$ 7,560,759 |
| Wisconsin Health & Educational Facilities Authority, Refunding RB: Ascension Health Credit Group, 5.00%, 11/15/39 | 12,650 | 13,740,082 |
| Froedtert & Community Health, Inc., Obligated Group, Series A, 5.00%, 04/01/42 | 2,490 | 2,622,879 |
| | | 39,005,897 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 47.3% (Cost \$434,346,009) | | 433,110,306 |
| Total Long-Term Investments 167.2% (Cost \$1,497,594,232) | | 1,531,214,710 |

| | <i>Shares</i> | |
|--|---------------|----------------|
| Short-Term Securities 0.9% | | |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.45% ^{(g)(h)} | 8,811,729 | 8,812,611 |
| Total Short-Term Securities 0.9% | | |
| (Cost \$8,812,611) | | 8,812,611 |
| Total Investments 168.1% | | |
| (Cost \$1,506,406,843) | | 1,540,027,321 |
| Liabilities in Excess of Other Assets (0.2)% | | (2,565,534) |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (29.0)% | | (265,404,753) |
| VRDP Shares, at Liquidation Value, Net of Deferred Offering Costs (38.9)% | | (355,947,955) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 916,109,079 |

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) When-issued security.
- (c) Zero-coupon bond.
- (d) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing.
- (f) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreement(s), which expire between December 1, 2018 to April 1, 2039 is \$27,384,984.
- (g) Annualized 7-day yield as of period end.

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

(h) During the period ended October 31, 2018, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at 7/31/18 | Net Activity | Shares Held at 10/31/18 | Value at 10/31/18 | Income | Change in Net Unrealized Appreciation (Depreciation) | |
|---|------------------------------|-----------------|-------------------------------|----------------------|-----------|--|--------------|
| | | | | | | Gain (Loss) | Depreciation |
| BlackRock Liquidity Funds, MuniCash, Institutional Class | 14,318,158 | (5,506,429) | 8,811,729 | \$ 8,812,611 | \$ 34,052 | \$ (1,015) | \$ (419) |

(a) Includes net capital gain distributions, if applicable.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

| Description | Number of Contracts | Expiration Date | Notional Amount (000) | Value/ Unrealized Appreciation (Depreciation) |
|----------------------------|------------------------|--------------------|--------------------------|--|
| <i>Short Contracts:</i> | | | | |
| 10-Year U.S. Treasury Note | 49 | 12/19/18 | \$ 5,803 | \$ 63,194 |
| Long U.S. Treasury Bond | 281 | 12/19/18 | 38,813 | 1,690,777 |
| 5-Year U.S. Treasury Note | 52 | 12/31/18 | 5,844 | 50,711 |
| | | | | \$ 1,804,682 |

Portfolio Abbreviations

AGC Assured Guarantee Corp.
 AGM Assured Guaranty Municipal Corp.
 AMBAC American Municipal Bond Assurance Corp.
 AMT Alternative Minimum Tax (subject to)
 ARB Airport Revenue Bonds
 BAM Build America Mutual Assurance Co.
 CAB Capital Appreciation Bonds

COP Certificates of Participation
EDA Economic Development Authority
ERB Education Revenue Bonds
GARB General Airport Revenue Bonds
GO General Obligation Bonds
PSF-GTD Permanent School Fund Guaranteed
HFA Housing Finance Agency
ISD Independent School District
LRB Lease Revenue Bonds
M/F Multi-Family
NPFGC National Public Finance Guarantee Corp.
RB Revenue Bonds

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

Level 2 Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs)

Level 3 Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Fund's most recent financial statements as contained in its annual report.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

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| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|---|----------------|------------------|----------------|------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments ^(a) | \$ | \$ 1,531,214,710 | \$ | \$ 1,531,214,710 |
| Short-Term Securities | 8,812,611 | | | 8,812,611 |
| | \$ 8,812,611 | \$ 1,531,214,710 | \$ | \$ 1,540,027,321 |
| Derivative Financial Instruments ^(b) | | | | |
| Assets: | | | | |
| Interest rate contracts | \$ 1,804,682 | \$ | \$ | \$ 1,804,682 |

^(a) See above Schedule of Investments for values in each state or political division.

^(b) Derivative financial instruments are futures contracts. Future contracts are valued at the unrealized appreciation (depreciation) on the instrument.

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Quality Fund III, Inc. (MYI)

October 31, 2018

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial reporting purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities: | | | | |
| TOB Trust Certificates | \$ | \$ (264,576,459) | \$ | \$ (264,576,459) |
| VRDP Shares at Liquidation Value | | (356,400,000) | | (356,400,000) |
| | \$ | \$ (620,976,459) | \$ | \$ (620,976,459) |

During the period ended October 31, 2018, there were no transfers between levels.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniYield Quality Fund III, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Quality Fund III, Inc.

Date: December 19, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Quality Fund III, Inc.

Date: December 19, 2018

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock MuniYield Quality Fund III, Inc.

Date: December 19, 2018